

HENRICO ♦ COUNTY, ♦ VIRGINIA

APPROVED ANNUAL FISCAL PLAN
& CAPITAL BUDGET
INCLUDES SUMMARY OF 5-YEAR CAPITAL
IMPROVEMENT PROGRAM
FISCAL YEAR 2011 – 12



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Henrico County
Virginia**

For the Fiscal Year Beginning

July 1, 2010

President

Executive Director

COUNTY OF HENRICO

Board of Supervisors



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COUNTY OF HENRICO

OUR MISSION

In partnership with our citizens, the Henrico County Government is dedicated to enhancing the quality of life for all our residents. As a nationally acclaimed local government, the County accepts the challenges of our changing social, physical and economic environments by serving in an efficient manner, with pride and with concern for the present and excitement for the future.

OUR VALUES

We are dedicated to providing our citizens responsible government, characterized by integrity and accountability. We will provide service in a professional manner with sensitivity to the needs of all people and our environment.

We are committed to the concept that the public, as our customers, deserves honest consideration, professional conduct and respect regarding all government activities.

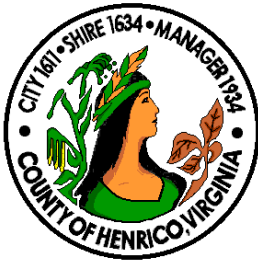
We believe that our reputation for integrity, credibility and sensitivity to employee and citizen needs is a key asset.

We recognize that our employees are a valuable resource to be treated with equality, fairness and justice.

We believe that accountability and responsibility in handling the public's property and money are essential.



Virgil R. Hazelett, P. E.
County Manager



History of Henrico County, Virginia

In 1611, Sir Thomas Dale left Jamestown to establish a settlement on the Powhatan River, now called the James River. Relations with the Arrohatloc Indians had steadily deteriorated since 1607, and Dale's party suffered constant attacks. They finally came to a peninsula on the north side of the river, now Farrar's Island, where Dale established the colony's second settlement, "Henricus," known also as the "city" or "town" of "Henrico."

Life in the New World was hard, but the English had high hopes that their settlements would add valuable minerals and raw materials to their economy, in addition to providing strategic military outposts. They also saw this land as a new frontier for spreading Christianity.

Virginia's economy was sharply transformed in 1612 by the introduction of new strains of mild tobacco by colonist John Rolfe. Rolfe's tobacco was shipped to England, and Virginia's economy soon began to prosper. In 1614, peace with the Indians was temporarily established, following Rolfe's marriage to Powhatan's daughter, Pocahontas. Both the tobacco leaf and Pocahontas are represented on the County's seal as symbols of our early heritage.

In 1634, Virginia was divided into eight shires, or counties, one being Henrico. Our first boundaries incorporated an area from which ten Virginia counties were later formed in whole or in part, as well as the cities of Richmond, Charlottesville, and Colonial Heights. The County was named for Henry, Prince of Wales, the eldest son of King James I of England.

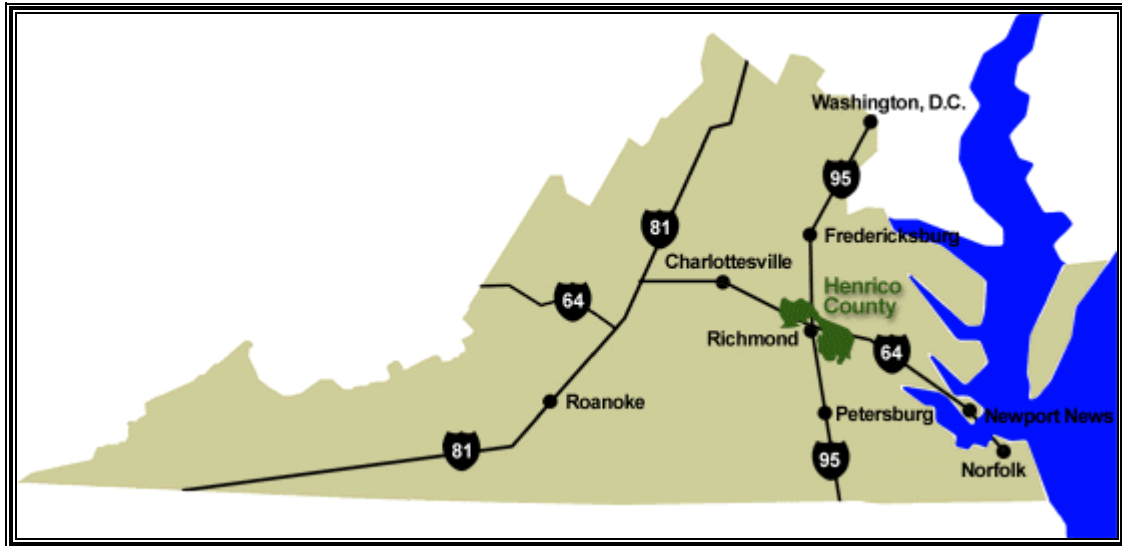
In 1776, Henrico representatives Richard Adams and Nathaniel Wilkerson participated in the Fifth Virginia Convention, which voted to send delegates to the Continental Congress to propose separation from the British. That proposal led to the Declaration of Independence. In 1788, seven years after the Revolutionary War, the General Assembly called a special convention to consider the ratification of the proposed United States Constitution. After 25 days of heated debate, Virginia voted 89-79 in favor of ratification. Many important Civil War battles were fought on Henrico soil, including the battles of Seven Pines, Savage's Station, Glendale, Malvern Hill, Yellow Tavern, New Market Heights, and others in defense of Richmond.

Today, bordering the City of Richmond on the west, north and east, the County of Henrico lies between the James and Chickahominy rivers, and constitutes approximately a third of the Richmond Metropolitan area. More than 300,000 Henrico County residents live in a well-planned community of 244.12 square miles.

In 1934, exactly 300 years after becoming one of the original shires, Henrico became the only county in Virginia to adopt the county manager form of government. Henrico offers a professionally managed government responsive to the needs of its residents, an educational system among the best in the nation, and an economy of unusual strength and diversity. With our triple, triple-A bond rating and favorable tax rates, Henrico provides an ideal environment for commercial and residential development.

Source: Henrico County Public Relations and Media Services

HENRICO COUNTY, VIRGINIA



Henrico County is contiguous to the City of Richmond, the Capital of Virginia.



GUIDE TO USING THIS DOCUMENT

This document represents the Approved 2011-12 Annual Fiscal Plan for the County of Henrico, Virginia. The purpose of the Annual Fiscal Plan is to provide useful, concise information about the County's financial plans and operations to residents, elected officials and other interested parties. The budget document has been divided into the seven sections described below:

Introduction:

The Introduction section of the document contains specific information about the County's basis of budgeting and fund structure, financial guidelines, the budget process and the budget calendar. In addition, the County Manager's transmittal letter to the Board of Supervisors, and three-year revenue and expenditure forecasts are provided.

Revenue and Expenditure Summaries:

The Revenue and Expenditure Summaries provide the reader with an overview of the County's FY2011-12 Budget. The tables presented in this section identify the sources of funding and requirements for all of the County's funds by department.

General Fund:

As prescribed by the State Auditor of Public Accounts, Henrico County has chosen to organize its General Fund expenditures by function with a summary narrative for each department. The narrative provides information about the department's major objectives, operational plans, the number of authorized positions, and a breakdown of expenditures by personnel, operating, and capital allocations. Personnel expenditures include all salary expenses and corresponding benefits such as FICA, VRS, health insurance, and life insurance. Capital Outlay expenditures are purchases of fixed assets with a life expectancy greater than two years. Operating expenditures are all other recurring expenses needed for department operations.

Special Revenue Fund:

The Special Revenue Fund section accounts for the resources obtained and the legally restricted expenditures relating to State and Federal Grants, the Utility Department's Solid Waste and Street Light operations, and the School Cafeterias. The format of this section is similar to that of the General Fund section. A summary narrative is provided for each program with information about its objectives and service levels. The program budget is broken down by personnel, operating and capital outlay expenditures; and the personnel complement is provided where applicable.

Enterprise Funds:

The Enterprise Funds section accounts for operations that are funded and operated in a manner similar to private business enterprises. The intent of the County is to recover the cost of providing services to the general public through user charges. The Enterprise Funds include the Water and Wastewater Utility operations and the County-owned golf course.

The Water and Sewer Enterprise Fund accounts for the provision of water and sewer services to residents of Henrico County, and wholesale service to Hanover and Goochland Counties. The Belmont Park Golf Course Enterprise Fund accounts for the operations of Belmont Park Golf Course. All activities necessary to provide such services are accounted for in the respective funds, including operations, maintenance, construction, financing, and the related debt service.

Guide (continued)

All Other Funds:

This section includes information on the County's four Internal Service Funds, as well as the Debt Service Fund and the Agency Fund. The Internal Service Funds include the County's Central Automotive Maintenance operations, the Technology Replacement Fund, the Risk Management Fund, and the Healthcare Fund. A description of the County's Debt Service Fund is provided in addition to more detailed information about principal, interest, and other debt expenditures. A summary of the County's outstanding general long-term debt obligations at year-end is also presented. The Agency Funds account for the revenues and expenditures of the James River Juvenile Detention Center and the OPEB-GASB 45 requirement.

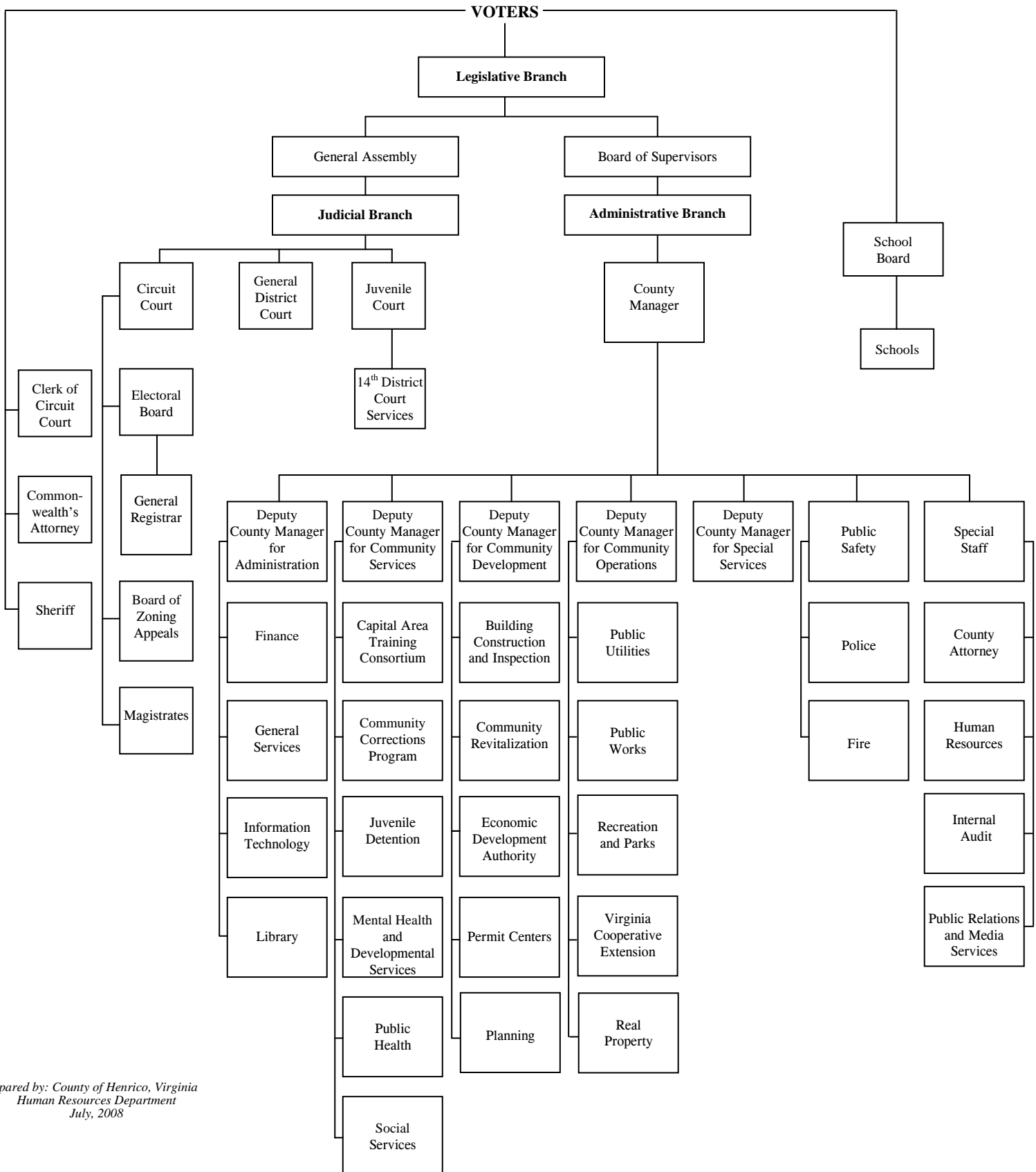
The Capital Improvement Program:

The FY2011-12 Capital Budget is presented by project and fund, and a narrative section discusses the capital projects by type. There is also a section that addresses anticipated operating expenditures associated with these projects.

For more detailed information, please contact the Office of Management and Budget of the County of Henrico at (804) 501-4295 or visit our web site at <http://www.co.henrico.va.us/departments/finance/divisions/office-of-management-and-budget/>.



County of Henrico, Virginia Organization Chart





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APPROVED ANNUAL FISCAL PLAN 2011-12
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INTRODUCTION





COMMONWEALTH OF VIRGINIA
COUNTY OF HENRICO

Virgil R. Hazelett, P.E.
County Manager

July 1, 2011

The Honorable Board of Supervisors
County of Henrico
Virginia

Honorable Members of the Board:

Enclosed is the Approved Annual Fiscal Plan for FY2011-12, including both the operating and capital budgets that you approved at your April 26, 2011 meeting. The Board of Supervisors made no changes to the FY2011-12 proposed budget that you received at your March 8, 2011 meeting.

Again, I would like to thank the County staff for their efforts in developing this budget. And, as always, the staff and I stand ready to assist you in answering any questions you may have regarding the Approved Annual Fiscal Plan for FY2011-12.

Respectfully submitted,

Virgil R. Hazelett, P.E.
County Manager





COMMONWEALTH OF VIRGINIA
COUNTY OF HENRICO

Virgil R. Hazelett, P.E.
County Manager

March 8, 2011

The Honorable Board of Supervisors
County of Henrico
Virginia

Honorable Members of the Board:

I am pleased to submit to you the Proposed FY2011-12 Annual Fiscal Plan for the County of Henrico. The past three fiscal years have been among the most difficult this County has ever seen, yet we've managed to remain among the very few localities in the Commonwealth that have weathered the storm without increasing tax rates, without disrupting the quality services the County's citizens expect, and without laying off one employee. The plan before you does not deviate from this core ideology. This plan also rewards the steadfast commitment and dedication of every County employee, both General Government and Schools, with the inclusion of a salary increase in the amount of 2.372 percent.

As we celebrate Henrico's 400th anniversary, I cannot think of a more appropriate time for a turning point. As the County slowly emerges from the depths of this past recessionary economic environment, pockets of positive local economic data provide a cautiously optimistic outlook in regards to our local revenue streams. In addition, there have been a number of recent positive economic development announcements involving corporate relocations and expansions that will bring new jobs into the County – critical to achieving sustainable economic recovery as we go forward.

While these "positives" are encouraging, there is continued concern regarding real estate tax revenue and aid from the Commonwealth of Virginia, which as you are well aware, represent two thirds of the County's General Fund revenues. The County continues to experience elevated levels of foreclosure activity. Commercial vacancy rates, while improving, remain at historically high levels. Marginal increases in State revenues have resulted in some additional funding to localities. However, the structural imbalance in the State's fiscal plan and the utilization of one-time federal dollars will impact the amount of aid to localities for years to come. It also needs to be noted that funding from the Commonwealth of Virginia for Henrico County Public Schools reflects levels not seen since FY2006-07, a full five fiscal years prior to this budget. The plan before you does indeed reflect an increase in revenues from the Commonwealth, though I assure you that we've been extremely cautious in the projection of these revenues.

The economic downturn of the past three years appears to be finally coming to an end. However, the slight revenue growth recognized in this fiscal plan does not come close to covering all of the fixed costs present in this Proposed Budget. This was not unexpected – we recognized more than a year ago that FY2011-12 would be a very difficult budget.

Balancing the FY2011-12 Proposed Budget required further reductions to baseline expenditures. Careful consideration has been given in all areas of County operations to ensure that these expenditure reductions do not impact service levels. Savings have been realized utilizing two fundamental approaches. The first approach involves the capturing of immediate savings through across-the-board budgetary decisions made in this Proposed Budget. The second approach recognizes the Countywide and department-specific savings initiatives resulting from the County's "Changing How Henrico Does Business" initiative.

The following budgetary decisions have been made in this Proposed Budget to provide immediate expenditure savings:

- Within the General Government, 42 vacant positions are being unfunded and removed from their respective departments.
- The Proposed Budget for General Government is built on a turnover rate of 2.75 percent, up from the 2.5 percent utilized in the current fiscal year budget.
- Operating reductions have been made across all General Government areas. This is the third consecutive year that across-the-board reductions have been made.
- Within the Education budget submitted by the Superintendent:
 - 27.5 Central Office positions and 9.0 instructional staff positions are being eliminated through attrition, and all permanent substitute positions are being eliminated. These are in addition to the 123 positions eliminated through attrition in the current fiscal year budget.
 - Post Retirement Earnings Program (PREP) benefits for retired Schools employees have been restructured.
 - Targeted efficiencies have yielded significant savings in a number of areas within the Education budget.

It is imperative that all budget reductions made in the FY2011-12 Proposed Budget be sustainable, as the following fiscal year, FY2012-13, will likely prove to be equally, if not more difficult. In fact, we're already aware of nearly \$20.0 million in additional fixed operating costs for FY2012-13 in debt service increment and operating costs associated with bond projects. In addition, it is almost certain that a significant increase to the County's VRS requirements will be forthcoming, for both General Government and Schools. To achieve \$20.0 million in revenue increment will alone require 2.4 percent revenue growth in FY2012-13 as compared to this FY2011-12 Proposed Budget. To put that into perspective, that's three times the revenue growth estimate included in the plan before you. Not only must budget reductions in this fiscal plan be sustainable, it is very likely that additional reductions will be necessary next fiscal year.

In recognition of the need for sustainable cost savings, in February of last year, I established a committee – inclusive of all department heads and key officials – tasked with garnering ideas as to how the County can, as a whole, permanently operate more cost effectively. This group has been working for more than a year on efforts that will permanently change the way Henrico County conducts business - operating with an eye on the County's "bottom line." These meetings have been fruitful, as individual departments and the County as a whole have implemented a number of sustainable cost savings initiatives. The "Changing How Henrico Does Business" initiative will continue into FY2011-12 in an

effort to generate additional sustainable savings that may be necessary in balancing the FY2012-13 budget.

What follows is a detailed discussion of the philosophical changes made in the way Henrico County has changed its business practices, and the resulting permanent expenditure savings.

Changing How Henrico County Does Business

The County's General Fund revenues have declined \$91.5 million in just two fiscal years, from FY2008-09 to the FY2010-11 adopted budget. In fact, FY2010-11 budgeted General Fund revenues of \$815.0 million are \$32.5 million less than FY2006-07 levels. To put that into perspective, we've lost more than five fiscal years of revenue increment. In spite of these unprecedented declines in revenues, this County remains one of the few localities in the State that hasn't been forced into extreme budget cutting tactics, such as laying off or furloughing staff and eliminating programs. The fiscal stewardship of this Board of Supervisors over the years has paid significant dividends in this economic downturn. We can also point to specific actions, such as the address change to "Henrico, VA" and the addition of incremental revenues associated with Short Pump Town Center to the County's coffers that have proven invaluable. However, these decisions alone do not come close to making up a \$91.5 million reduction in revenues – significant reductions in operating expenditures were absolutely necessary. And quite frankly, this County has always operated with one of the leanest budgets in the State, in large part to the capping of continuing operating expenditures at five percent annually. In other words, finding significant savings from the County General Fund has required a brand new philosophy – a new way of thinking and operating altogether – with an eye towards permanent, sustainable cost savings.

What follows is a list of some of the major cost reduction initiatives undertaken, and how these initiatives have provided significant savings and permanently altered the way this County will conduct business into the future.

- ✓ As noted above, since October 2008, the County has been under a more restrictive "hiring freeze" in which only those positions deemed essential to the provision of existing service levels were approved for recruitment. This decision has proven critical throughout this economic downturn in balancing expenditures to declining revenues, as it has provided millions of dollars in expenditure savings. In the FY2010-11 budget development process, the County eliminated 101 of the County's 220 positions that were vacant as of February 2010. The FY2010-11 budget also included a 2.5 percent turnover rate that generated nearly \$5.2 million in budgetary savings in the General Fund. At this writing, the County has worked its way back up to more than 200 vacant positions, of which this Proposed Budget recommends removing funding for 42 of them, with the elimination of 21 vacant positions and the removal of the remaining 21 vacant positions from the respective departments and placed in the position hold complement. Also, the County is again recognizing additional savings associated with the remaining vacant positions by instituting a 2.75 percent turnover rate in the FY2011-12 Proposed Budget, which is yielding savings of almost \$5.7 million in the General Fund budget.

The elimination of positions and the growing number of vacant positions is perhaps the most difficult cost cutting mechanism for departments to overcome. Positions have historically been added to a department's complement only after extensive analysis and exhaustive justification in regards to the need for that position. However, to accommodate a shrinking complement, departments have stepped up to the challenge and have implemented a number of internal process changes to assure that service levels remain intact. In addition, departments have been encouraged to utilize the large experienced and talented pool of volunteers and interns available to them. In fact, one of the subcommittees created as a result of the "Changing How Henrico

Does Business” identified additional ways in which departments may use volunteer/internship to help alleviate the need for full-time staff.

Another initiative undertaken by all departments is the reduction in the number of departmental motor pool vehicles in their respective fleets, as well as the typical engine size of those vehicles. As a result of this initiative, from March 2010 to October 2010, twenty vehicles from nine departments were turned into CAM. The savings associated with not replacing these vehicles totals approximately \$420,000. The second component of the vehicle initiative involved the downsizing of the cylinder size for vehicles in the fleet. When a vehicle is scheduled for replacement, the use of the vehicle is reviewed to determine if a smaller sized vehicle will meet the user’s needs. Of the 152 vehicles replaced since FY2008-09, 73 or 48.0 percent of the engines have been downsized, resulting in an estimated 96,000 gallons of fuel saved over the lifetime of these vehicles. To date, the cumulative fuel cost savings total more than \$216,000. As the price of fuel increases, the realized savings will grow substantially. Also, because the smaller sized vehicles are generally less expensive, the total cost savings associated with the purchase of the downsized vehicles as opposed to the larger sized vehicles exceeds \$266,000. Combined, both cost savings initiatives involving vehicles has a total cost savings that exceeds \$900,000.

- ✓ Technology replacement costs have been reduced for three straight fiscal years, yielding an overall cost reduction in this time period of more than 50.0 percent, or \$2.4 million in total. To achieve this level of expenditure reductions, departments are now replacing computers on a four or five-year schedule as opposed to the previous three-year replacement cycle. The Department of Information Technology reviews all purchases from the Technology Replacement Fund and determines if the replacement of the equipment is warranted.

Another initiative implemented as a result of the “Changing How Henrico Does Business” initiative is a targeted focus on the replacement of desktop printers in all departments. For those departments that utilize network printers, multiple computers may be set up to utilize that one printer. I have asked all departments to consider whether or not desktop printers are necessary when in need of replacement. The cost of the purchase of a desktop printer, in combination with the ongoing cost of replacing expensive toner cartridges for the printer, results in a rather expensive purchase for what may serve only as a convenience for some employees. Multiplied across all departments, real savings should be realized.

- ✓ Also in the area of technology, due to concerted efforts by Information Technology staff, continued efficiencies in telecommunications costs have been realized. In this case, phone bills have been meticulously studied in an effort to identify under-utilized phone and internet lines and connections, and a number of these lines have been disconnected altogether. These efforts have yielded in excess of \$1.0 million annually in the operating budget. In addition, a subcommittee created as a result of the “Changing How Henrico Does Business” meetings has reviewed cell phone and Blackberry usage and deployment across all departments and has identified some underutilized wireless communications devices that have been returned to the Department of Information Technology.
- ✓ In the FY2010-11 adopted budget, travel and tuition costs were withdrawn from all departmental budgets, with the exception of the budget for Countywide training programs allocated in Human Resources. Half of the funds for travel and tuition, totaling approximately \$560,000, were removed from the budget completely and the other half was moved to a reserve account. All travel and tuition requests must now be submitted for my approval, along with sufficient justification. Priority is given to local or in-state travel – especially those that do not require overnight stay. There are, of course, exceptions to this overall premise, but in general

this policy has been extremely successful, and departments have responded to this new policy admirably. This policy will continue into FY2011-12.

- ✓ The County's Energy Reduction and Environmental Sustainability Program has yielded permanent cost savings in the County's utility costs. Both Schools and General Government have adopted a Leadership in Energy and Environmental Design (LEED) initiative for new facilities, which will conserve energy use in these buildings. Individual initiatives, such as the installation of LED traffic lights, the landfill gas-to-energy project, and Central Automotive Maintenance's efforts to utilize waste oil for heat, have all contributed to the overall success of Henrico's sustainability efforts. In fact, estimates indicate that these efforts have saved the County approximately 580 trillion British Thermal Units (BTU's) in energy consumption since the program began in FY2003-04, a dollar amount estimated at \$13.5 million.
- ✓ Another subcommittee was established as a result of the "Changing How Henrico Does Business" meetings that is charged with reviewing the County's offices that are currently being leased and identifying possibilities to reduce or eliminate those lease costs. The FY2011-12 budget includes in excess of \$2.0 million in the lease/rent of buildings, across all funds. A number of opportunities are currently being explored to reduce this cost.
- ✓ Finally, I would be remiss if I didn't include the transition to a self-insured healthcare program in this discussion of cost saving initiatives. For calendar year 2009, the national trend reflected an increase in healthcare costs of more than 10.0 percent – although Henrico County's rates increased 7.5 percent. In calendar year 2010, the national trend was an increase of 7.2 percent – Henrico County was able to utilize the Healthcare Fund's reserves to allow no increase in rates for both the County and its employees. Finally, in calendar year 2011, the national trend reflected an increase approaching 11.0 percent – Henrico absorbed the cost increase for employees and the rate to the County only increased 3.5 percent. Clearly, the decision to transition to a self-insured healthcare program was a timely one, as it has saved significant dollars for both the County and its employees. And with all of the systemic changes forthcoming as a result of new federal legislation, the added flexibility of self insurance will be invaluable.

"Positives" in Henrico County's Local Economy

While there is no shortage of bad news regarding the economy in the media today, pockets of positive local economic trends are beginning to occur nationally and locally. As 2011 begins, the United States appears poised for its strongest year of economic growth since the recession began three years ago. The national economy is expected to grow faster than 3.0 percent in 2011, with unemployment expected to remain below 9.0 percent. Retail sales look like they may return to pre-recession levels in spite of personal saving rates increasing. New home construction rose 14.6 percent in January as compared to January 2010. These are all very positive signs and further evidence that the national economy is slowly climbing out of the worst economic environment of our lifetime.

The improvements in the national economy are being echoed in our local economic indicators. Economic recovery is occurring, but future growth will be slow. The following “positives” in Henrico County’s local economy are noted.

- ✓ The County’s unemployment rate fell to 6.5 percent in December 2010, significantly lower than the national unemployment rate of 8.9 percent and a sharp drop from Henrico’s peak rate of 7.5 percent in February 2010.
- ✓ Recent economic development successes, including corporate relocations and expansions, have resulted in more than 2,000 new jobs being announced. The foundation of any sustainable economic recovery effort is the creation of new jobs, as job creation impacts all facets of the local economy – residential and commercial real estate, retail sales, personal property, etc. While it will likely take years to make up the more than 6,500 jobs lost in Henrico County in the past three years, these recent announcements provide a solid head start.
- ✓ Despite increased foreclosures locally, residential real estate values did not change substantially in calendar year 2010 as the overall decline in residential real estate was 1.5 percent. This is a substantial improvement over the 5.5 percent drop in residential real estate values in 2009.
- ✓ Sales tax collections through December sales were up 6.0 percent as compared to the same period last fiscal year. In fact, December 2010 sales tax collections of \$6.2 million represents the single best month ever for Henrico County. In addition, Henrico County’s share of sales tax collections in the Richmond Metropolitan Area has risen each fiscal year since the economic recession began – from 38.8 percent in FY2007-08 to 41.7 percent through December sales, FY2010-11.
- ✓ Hotel/motel tax revenues through December 2010 reflect an increase of 7.0 percent as compared to the same period last fiscal year. These revenues are considered a leading economic indicator.
- ✓ Vehicle registrations are up 4.4 percent in FY2010-11 through January. New vehicle sales are up 8.2 percent and used vehicle sales are up 3.6 percent. The overall trend over the past three years has shown most people holding onto their existing vehicles for longer periods, which had impacted personal property tax revenues. Increasing vehicle registrations, notably the increase in new vehicles, should yield growth in this revenue source.
- ✓ Single family building permits were up 5.4 percent and structural and equipment permit revenues were up 7.1 percent in the first half of FY2010-11, as compared to the same period last fiscal year.

As a result of these economic improvements, cautious optimism is reflected in a number of local revenue projections in this fiscal plan. What follows is a brief overview of the revenue assumptions reflected in the FY2011-12 Proposed Budget.

Revenue Assumptions

- The County continues to utilize the most up-to-date sales information in determining the assessed values of real estate and this remains the case as assessed values are based on sales information as of the end of calendar year 2010. Using the most recent sales data has resulted in an overall reduction in real estate market value of approximately \$314.8 million or just less than 1.0 percent in 2010, the second consecutive year of overall declines. However, when considering the high level of residential foreclosures and vacant office space, a change of less than 1.0 percent may signal that a “bottom” has been reached in the County’s real estate market.

- As in the past, the revenue estimates in the Proposed Budget have been prepared with extreme caution. This is particularly the case for estimates of our elastic revenue sources such as Local Sales Tax, Business and Professional License Tax, Business Personal Property Tax, as well as fees received from new building permits. Currently, local sales tax receipts reflect a year-over-year increase of 6.0 percent, thanks in part to the “Henrico, VA” initiative. Individual personal property valuations and BPOL receipts are expected to remain relatively flat. The Proposed Budget before you includes an overall increase in elastic revenues as a result of the growing economy, but we must prepare revenue estimates with cautious optimism – therefore, projections of these revenues have been estimated very conservatively. As always, these elastic revenues will continue to be monitored closely and adjustments will be made, if necessary.
- Estimated State revenues are, for the most part, balanced to the Governor’s Proposed Budget Amendments for FY2011-12. Though all of the locality-specific details have not yet been provided, it appears that the budget compromise within the General Assembly did, in fact, provide additional aid to localities as compared to the Governor’s Proposed Budget Amendments. That being said, we must remain extremely cautious in projecting these resources at the local level, as revenue estimates at the State level continue to be fairly aggressive. In the case the State’s revenue estimates do not materialize, aid to localities could be one of the first items on the “chopping block,” as is customary.
- One-time resources, whether from the State or the Federal Government, have not been used to balance this fiscal plan, as is the case in other jurisdictions in the Commonwealth. This includes any Federal Jobs Funds, which a number of school divisions have utilized to retain existing teachers, hire new teachers, and/or give bonuses or pay raises to employees. My position continues to be that one-time resources do not belong in the County’s operating budget for continuing operations.

THE FY2011-12 PROPOSED ANNUAL FISCAL PLAN:

The total recommended Operating Budget for the General Fund is increasing \$2,603,799 or 0.4 percent as compared to the FY2010-11 adopted budget. Including all funds, the Operating Budget totals \$1,043,731,594, which reflects an increase of \$20,557,812 or 2.0 percent. The total Proposed Budget is illustrated in the table that follows.

FY2011-12 Proposed Budget (Expenditures) All Funds

	<u>FY2010-11 Approved</u>	<u>FY2011-12 Proposed</u>	<u>Dollar Change</u>	<u>Percent Change</u>
General Fund:				
General Government Admin.	\$ 55,916,358	\$ 55,759,533	\$ (156,825)	(0.3)%
Judicial Administration	7,975,999	8,049,983	73,984	0.9%
Public Safety	154,575,794	155,821,049	1,245,255	0.8%
Public Works	35,855,526	35,765,565	(89,961)	(0.3)%
Health & Social Services	20,109,792	20,180,869	71,077	0.4%
Education	402,409,019	403,750,000	1,340,981	0.3%
Recreation, Parks & Culture	32,334,940	33,257,069	922,129	2.9%
Community Development	19,352,132	19,058,975	(293,157)	(1.5)%
Miscellaneous	<u>12,528,007</u>	<u>12,018,323</u>	<u>(509,684)</u>	<u>(4.1)%</u>
Total General Fund	741,057,567	743,661,366	2,603,799	0.4%
Special Revenue Fund	119,333,547	125,898,394	6,564,847	5.5%
Enterprise Funds	72,996,031	79,610,279	6,614,248	9.1%
Internal Service Funds	29,427,625	31,165,703	1,738,078	5.9%
Debt Service Fund	51,832,472	54,854,043	3,021,571	5.8%
Agency Fund	<u>8,526,540</u>	<u>8,541,809</u>	<u>15,269</u>	<u>0.2%</u>
Total Proposed Budget	<u>\$1,023,173,782</u>	<u>\$1,043,731,594</u>	<u>\$ 20,557,812</u>	<u>2.0%</u>

As you delve into each area in this budget, you will see that a number of departments reflect a reduction in overall expenditures – some a result of reduced State funding in specific areas and others are reflective of net reductions in expenditures due to realized savings. Other specific highlights of the FY2011-12 Proposed Budget include:

- It gives me great pleasure to recommend in this Proposed Budget a 2.372 percent merit increase for all County employees, General Government and Schools. This would be the first increase in employee salaries since FY2008-09. All County employees have been asked to do more with fewer resources throughout this economic downturn, and I sincerely believe each employee has performed admirably. Henrico County hasn't skipped a beat in the past three years, and this is solely the result of the steadfast commitment and dedication of its employees, and an increase in salaries is much deserved.
- While the overall Proposed Budget, all funds, is increasing by \$20.6 million, the majority of this increase - nearly \$18.0 million, or 87.4 percent. - falls outside of the General Fund and is mostly attributed to fixed cost increases and new grants being realized in the Proposed Budget. In looking globally at the fund level, I offer the following as highlights:
 - ✓ The Special Revenue Fund is increasing \$6.6 million, mostly due to a new \$5.0 million federal Teacher Incentive Fund Grant and the reinstatement of \$1.8 million in State Technology Funds into the budget, that were removed in

FY2010-11 due to uncertainty as to whether or not the General Assembly was going to eliminate these funds.

- ✓ Within the Enterprise Funds category, the Proposed Budget for the Water and Sewer Fund is increasing \$6.6 million, mostly related to a \$5.6 million increase in debt service costs arising from revised debt service schedules as a result of two bond refundings, and the planned issuance of new debt during FY2011-12. Also included in this budget is a \$1.1 million allocation for a payment to Cumberland County related to the Cobbs Creek Reservoir.
- ✓ In the area of Internal Service Funds, the total increase noted above is \$1.7 million, all of which is related to increases in the Healthcare Fund. These increased healthcare rates were absorbed by the County and not passed on to the employees.
- ✓ The Debt Service Fund is increasing \$3.0 million related to the \$72.2 million debt issuance in FY2010-11 and the revised debt schedules as a result of the three bond refundings in 2009 and 2010. As a note, the Proposed Budget assumes the spring issuance of \$33.3 million in new debt in FY2011-12, and the debt service increment associated with this new debt issue will be reflected in the FY2012-13 budget.
- Across-the-board and targeted expenditure reductions have been made to all General Government departments in this proposed budget. More specifically:
 - ✓ In addition to the removal of funding of 42 positions, most departments were allocated a turnover rate of 2.75 percent of salaries and variable rate benefits.
 - ✓ Operating and capital outlay expenditures have been reduced by 2.5 percent across-the-board.
 - ✓ Departments that participate in the Technology Replacement Fund received a 25.0 percent reduction in their respective allocations in this area. This is the third consecutive across-the-board reduction in Technology Replacement Fund allocations.
 - ✓ CAM rental rates were recalculated, yielding overall cost savings totaling more than \$260,000. These expenditures were removed from departmental budgets.
- In the area of Non-Departmental, donations to outside agencies were reduced by 10.0 percent in the FY2011-12 Proposed Budget. Additionally, Henrico's five-year commitment of \$200,000 in annual funding to the Monroe Park Campus of Virginia Commonwealth University for the School of Engineering and the School of Business was completed in FY2010-11. In total, the funding requirement for these donations decreased by \$443,109, or 20.6 percent. Also, Henrico County's share of funding for regional projects decreased by \$216,158, or 21.6 percent, primarily due to the completion of a ten-year funding commitment for capital improvement at the Maggie Walker Governor's School. Henrico County continues to fulfill all of its regional obligations.
- The FY2011-12 Proposed Budget includes \$10.2 million in funding associated with the opening of new facilities funded through the 2005 G.O. Bond Referendum, utilizing funding from the Revenue Stabilization Fund. The new facilities opening in FY2011-12 include Glen Allen High

School (11th grade), twelve-classroom additions at Mehfoud Elementary School and Varina Elementary School, six-classroom additions at Tuckahoe Elementary School, Lakeside Elementary School, and Dumbarton Elementary School, the relocation of Fire Station #3, the renovation of the Gayton Branch Library, and full-year operating funding for the Eastern Area Recreation Center. No new positions were added as a result of these new facilities in FY2011-12.

- The Proposed Budget for Education includes a total General Fund appropriation of \$403,750,000, 54.3 percent of the Proposed General Fund Budget. This amount represents an overall increase of \$1.3 million when compared to the FY2010-11 Approved Annual Fiscal Plan.
- A recommended increase of 5.0 percent in our water and sewer rates is suggested for the maintenance of our long-term water and sewer infrastructure and the continued funding requirements arising from the Water and Sewer Enterprise Fund. Rates in this area must be sufficient to provide for annual operating, debt service and capital budget requirements, but they also must ensure that funding for longer-term infrastructure requirements are met as well. By continuing to adjust rates incrementally on an annual basis, it is hoped that significant one-time increases may be avoided in future years and that our infrastructure is well maintained.

GENERAL FUND

Revenues

The plan before you maintains our *conservative* approach in projecting available resources. While many entities take a year-by-year approach in budgeting, Henrico has and will continue to take a multi-year approach to allocating public resources, even as the majority of revenues have deteriorated in the past several years. That approach is a basic premise of our financial management. Total estimated General Fund revenue for FY2011-12, prior to transfers to other funds, is \$821,777,170, which represents an increase of \$6,805,670 or 0.8 percent when compared to the current fiscal year.

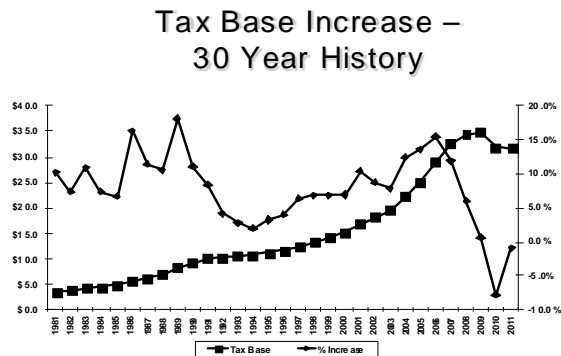
General Fund Revenues

	FY2010-11 Original	FY2011-12 Estimated	Dollar Change	Percent Change
Local Revenues				
General Property Taxes	\$ 389,000,000	\$ 388,660,000	\$ (340,000)	(0.1%)
Other Local Taxes	114,015,000	114,755,000	740,000	0.6%
Total Taxes	503,015,000	503,415,000	400,000	0.1%
Permits/Fees/Licenses	3,239,200	3,345,200	106,000	3.3%
Fines and Forfeitures	2,315,000	2,390,000	75,000	3.2%
Use of Money and Property	9,734,400	9,784,400	50,000	0.5%
Charges for Services	3,554,200	3,748,700	194,500	5.5%
Miscellaneous Revenues	2,872,800	2,857,800	(15,000)	(0.5%)
Recovered Costs	4,043,700	4,278,870	235,170	5.8%
Total Other Local Revenue	25,759,300	26,404,970	645,670	2.5%
Total Local Revenues	\$ 528,774,300	\$ 529,819,970	\$ 1,045,670	0.2%
State/Federal Revenues				
State-Education	\$ 199,131,000	\$ 204,679,000	\$ 5,548,000	2.8%
State-Public Works	28,745,000	28,745,000	-	0.0%
State-General Government	47,461,000	47,848,000	387,000	0.8%
Total State Revenues	\$ 275,337,000	\$ 281,272,000	\$ 5,935,000	2.2%
Total Federal Revenues	\$ 10,860,200	\$ 10,685,200	\$ (175,000)	(1.6%)
Total General Fund Revenues				
Prior to Transfer	\$ 814,971,500	\$ 821,777,170	\$ 6,805,670	0.8%
Transfers to Other Funds	(94,027,520)	(93,364,475)	663,045	(0.7%)
(To)/From Fund Balance (Cap.)	5,000,000	5,000,000	-	0.0%
From Fund Balance (Cap. Reserve)	3,565,242	-	(3,565,242)	(100.0%)
From Revenue Stabilization Fund	11,548,345	10,248,671	(1,299,674)	(11.3%)
Total General Fund Revenues	\$ 741,057,567	\$ 743,661,366	\$ 2,603,799	0.4%

What follows is a detailed discussion of the components of the broader revenue categories.

The General Property Tax category is anticipated to decrease by \$340,000 or 0.1 percent when compared to the FY2010-11 Annual Fiscal Plan. This revenue projection assumes a continuation of the current Real Estate Tax Rate, \$0.87/\$100 of assessed valuation.

In CY2010, the assessed valuation of real property in the County will total \$31.7 billion, an overall decline of \$314.8 million, or just less than 1.0 percent. This decline reflects the second consecutive year-over-year decline in real estate valuation, though the rate of decline in CY2010 is much less than the 7.8 percent reduction experienced in CY2009, as indicated in the graph to the right. The graph also indicates the extent to which real estate valuations have been impacted throughout this economic downturn. In 2010, residential real estate valuation declined by \$174.0 million or 0.8 percent. Commercial real estate valuation declined by \$140.8 million or 1.5 percent. Commercial valuation as a percentage of the overall tax base dropped from 29.4 percent in the prior year to 29.2 percent.



The annual assessment of real estate in the County reflects the most recent 2010 sales data of comparable properties. By using the most recent sales data in determining the assessed value of property, Henrico County has been able to capture the most current values for the real estate market. We pride ourselves on using the most recent sales data so our assessments are as accurate as possible and the decline in real estate values is indicative of the current market. The projection for real property tax revenue for FY2011-12 is \$273.2 million, which represents a reduction of \$2.7 million from the current fiscal year's adopted budget.

Personal Property Tax revenues, which include PPTRA reimbursements from the State, are projected to increase slightly in FY2011-12 to \$103.8 million, an increase of \$1.2 million or 1.2 percent. As previously noted, new and used vehicle purchases have increased in the current fiscal year. Also, with the recent announcements of businesses relocating or expanding in Henrico County, as well as the impact of the "Henrico, VA" initiative, business personal property tax collections are anticipated to increase slightly. Again, the conservative estimate of this revenue source is due to the slow growth expectations of the economy and the effect this may have on this revenue, which includes business as well as individual personal property. Total Personal Property estimates continue to be impacted by the reality that disbursements by the State to localities under the Personal Property Tax Relief Act (PPTRA) remain capped at \$950.0 million.

The forecasts for our Other Local Tax Revenues for FY2011-12 reflects a slight net increase of \$740,000 or 0.7 percent. The projection for Local Sales Tax receipts of \$56,050,000 reflects a budgeted increase of \$1,550,000 or 2.8 percent. This estimate remains conservative, as Local Sales Tax receipts are up 6.0 percent seven months into the current fiscal year. Business and Professional License Taxes (BPOL) collections reflect a decline of \$750,000 or 2.5 percent, to \$29,850,000, to better reflect prior year actuals and maintain the County's conservative posture in regards to its local tax revenues.

The projection for all other locally generated revenues such as permits and fees, fines and forfeitures, interest earnings, charges for services, miscellaneous revenues and recovered costs totals \$26,404,970. This total represents an increase of \$1,045,670 when compared to the FY2010-11 Annual Fiscal Plan.

In the Proposed Budget, overall State revenues are estimated to increase \$5.9 million or 2.2 percent as compared to the FY2010-11 Adopted Budget. The majority of this increase is reflected in State aid to Education, which is estimated to increase \$5.5 million in FY2011-12, mostly due to "making whole" the conservative estimates present in the FY2010-11 Adopted Budget. It should be noted that State revenues were mostly balanced to the Governor's Proposed Budget Amendments for FY2011-12. Though all of the locality-specific detail is not yet available, it appears that the compromise within the General Assembly provided additional aid to localities over and above the Governor's Proposed Budget Amendments. Our estimates of State aid must remain conservative, as revenue estimates at the State level may prove to be aggressive. If the State misses these revenue estimates, reductions in aid to localities would be necessary.

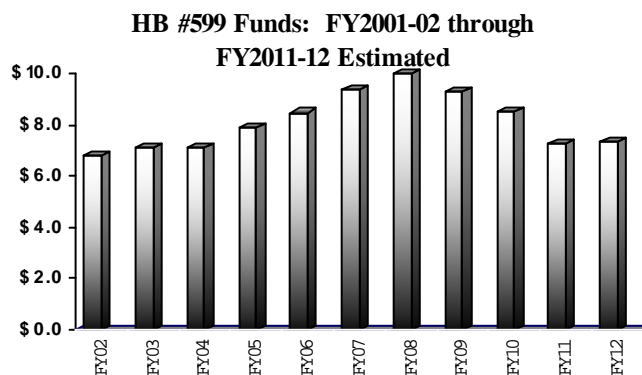
What follows is a discussion of the three broad components of State aid.

The first overall category, State revenues for Education is projected at \$204,679,000 and reflects an increase of \$5.5 million or 2.8 percent when compared to the current fiscal year. It should be noted that at \$204.7 million, the level of State aid for Education remains at levels less than FY2006-07. Since FY2006-07, Education has added more than 900 students, opened five new schools, and has increased General Fund and Debt Service expenditures for Education by \$53.6 million (as compared to the FY2011-12 Proposed Budget). Clearly, it has required a demonstrable effort by the Board of Supervisors to provide Education with adequate local resources to continue the quality Education system County citizens expect. An additional concern going forward is that because the State has chosen to

underfund its VRS obligations for teachers and over school employees, the current budget allocation by the State may not be sustainable into future years.

The second component involves State Gasoline Tax revenues for Public Works, which is projected to remain flat with a total allocation of \$28,745,000. Since the current distribution structure began in 1986, the Gasoline Tax allocation to Henrico has been allocated between maintenance of current roads and construction costs in the Capital Budget. However, the amount of revenue collected from gasoline taxes statewide declined due to the conservation that started when the price of gas exceeded \$3.75 per gallon. It remains uncertain if the Gasoline Tax allocation to Henrico will include funding for construction. If additional State Gasoline Taxes are provided from the State above our projections, an amendment will be brought to you to add that revenue to the budget. This is the course of action that must be taken due to the unknowns that exists within the area of transportation in the State Budget.

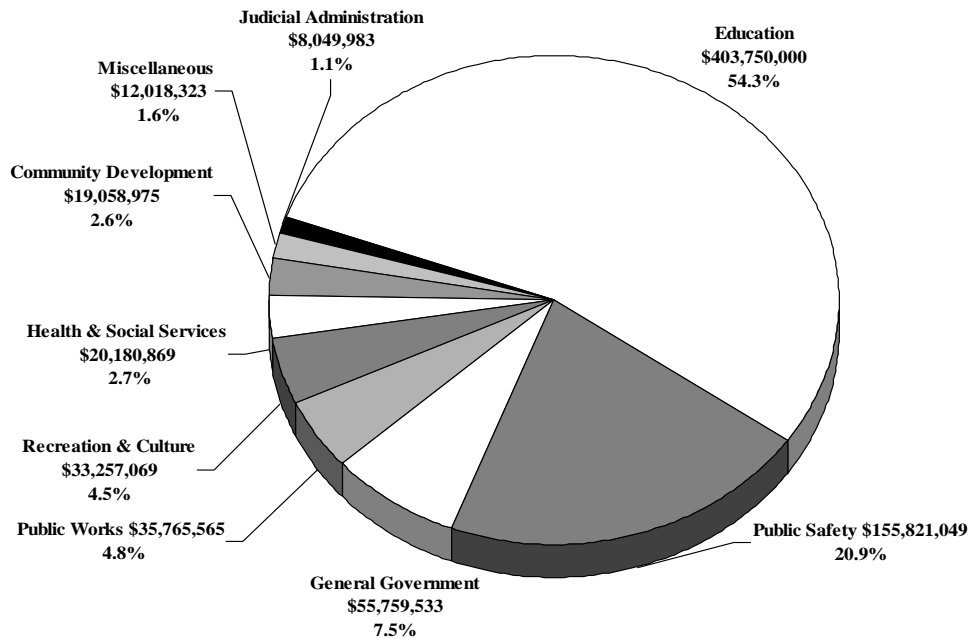
State revenues for all other General Government totals \$47,848,000, which is a projected increase of \$387,000. This estimate includes all anticipated allocations for Constitutional Officers, State Law Enforcement (House Bill #599), Social Services, and other areas that receive State funding allocations. More specifically, House Bill #599 funds are estimated at \$7,350,000 in FY2011-12, an increase of \$100,000 from the current fiscal year budget, though this increase is misleading. The increase is only due to conservative estimates made by the County in the FY2010-11 adopted budget. The compromise budget approved by the General Assembly left House Bill #599 funds flat with the current fiscal year level. This follows three consecutive year of reductions to this revenue source, as can be seen in the graph to the right. In FY2007-08, the County collected \$10.1 million in House Bill #599 funding, and this funding has since dropped 27.5 percent. The State's share of constitutional officers has increased \$287,000 in FY2011-12, but still remains well below the levels seen in FY2007-08.



Projections for Federal Aid total \$10,685,200 and reflect a slight reduction of \$175,000 in FY2011-12. The majority of Federal Aid is allocated for Social Services programs and the projections were developed based on current information.

General Fund Expenditures

FY2011-12 Proposed General Fund Expenditures \$743,661,366



The total Proposed General Fund Budget for FY2011-12 is \$743,661,366. General Government departmental highlights of the Proposed General Fund Budget are provided below. Specific details regarding each departmental budget may be found in the narratives included within this Proposed Budget document.

- The FY2011-12 Proposed Budget continues the Division of Police's assigned and take-home vehicle programs for sworn officers. The take-home vehicle program continues to include \$2,574,800 for the replacement of 108 vehicles annually.
- The Division of Fire will continue its apparatus replacement plan at a cost of \$1,500,000 in FY2011-12, and this includes the acquisition of two engines and one ambulance. The apparatus replacement program was initiated in FY1997-98 at a cost of \$1,275,000 as a means of ensuring the Division maintains a planned and consistent replacement schedule for costly fire apparatus.
- Also included in the Division of Fire's FY2011-12 budget is operating costs associated with the relocation of Fire Station #3.
- The budget for Libraries includes \$541,894 in new operating costs associated with the renovation of the Gayton Road Branch Library.
- In the area of Recreation and Parks, \$794,803 in new operating costs associated with the Eastern Henrico Recreation Center has been added, which reflects full-year funding for this new facility.

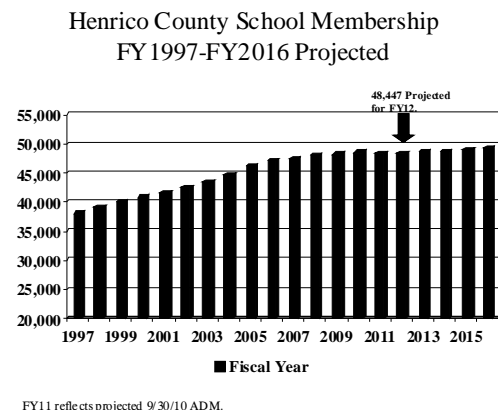
- The General Services' and Recreation and Parks' budgets continue their respective maintenance programs. For General Services, the Building Maintenance Program continues their efforts in replacing worn carpet and painting General Government facilities.
- The FY2011-12 Proposed Budget continues the County's Real Estate Advantage Program to our senior citizens at its current levels.

Education

The Proposed Budget includes a total General Fund appropriation of \$403,750,000 for Education in FY2011-12. This amount represents an increase of \$1,340,981 or 0.33 percent as compared to the FY2010-11 Approved Annual Fiscal Plan. Of the \$403,750,000, \$198,771,000 (49.2 percent) will be provided from General Fund revenues and \$204,979,000 (50.8 percent) comes directly from the State and Federal Governments to support Education. As a result of the \$72.2 million bond issue in FY2010-11, local Education debt service expenditures will increase \$1,000,794 in FY2011-12 to \$37,523,568.

Education's FY2011-12 Budget for the Special Revenue Fund totals \$61,352,128, which is a 10.2 percent increase over the FY2010-11 Approved Annual Fiscal Plan. This increase is solely related to a new \$5.0 million federal Teacher Incentive Grant and the reinstatement of \$1.8 million in State Technology funds, that were removed in the FY2010-11 adopted budget due to uncertainty that these funds would be eliminated. In total, with all funds (General Fund, Special Revenue Fund and Debt Service Fund) included, the FY2011-12 Budget for Education totals \$502,625,696, which is an increase of \$8,045,569 or 1.6 percent as compared to the FY2010-11 Approved Annual Fiscal Plan.

In the FY2011-12 budget, Education is eliminating 44.55 FTE, of which 27.5 are central office positions and 9.0 are instructional staff due to declining enrollment. These positions will all be eliminated through attrition. Also included in the FY2011-12 budget is the elimination of permanent substitute positions. The proposed staffing level will reflect an average class size of 20.6:1 for elementary schools, 22.1:1 for middle schools, and 21.8:1 for high schools. The graph to the right reflects a fifteen year history of actual student enrollment at the Henrico County Public Schools with the current projected enrollment for FY2011-12 as well as Education's projections for enrollment through FY2015-16.



A total of \$8,791,746 is recommended to fund operating costs associated with the 11th grade at Glen Allen High School, 12-classroom additions at Mehfoud Elementary School and Varina Elementary School, and 6-classroom additions at Tuckahoe Elementary School, Lakeside Elementary School, and Dumbarton Elementary School.

The FY2011-12 Proposed Capital Budget for Education is \$25,431,208. This consists of \$5,128,787 for the renovation of Pinchbeck Elementary School and \$17,802,421 to add funding to the Education Bond Project Reserve. The Proposed Capital Budget also includes a \$2,500,000 General Fund allocation for roof replacements and mechanical improvements projects that continues the initiative that began in FY1997-98. This will be the fifteenth year of this initiative that has provided a total of \$37.5 million for these critical maintenance needs.

The Board of Supervisors has consistently allocated the majority of the General Fund Budget to Education and provided the necessary funding for capital projects. Through the leadership of the Henrico County School Board, this funding has enabled the Henrico County Public Schools to develop a nationwide reputation for producing graduates who excel in their future endeavors. The funding provided to the Henrico County Public Schools is a key component of our quality of life, our efforts to foster a quality local workforce, and to the successes in the County's economic development efforts. Education remains a top funding priority of the Board of Supervisors.

SPECIAL REVENUE FUND

The Special Revenue Fund includes the Department of Public Utilities' Solid Waste and Street Light operations, the Henrico County Public Schools' Cafeteria Programs, and State and Federal grants for various educational and General Government programs including the Capital Region Workforce Consortium (CRWC), the Community Corrections Services Program, Wireless E-911 communications, Virginia Juvenile Community Crime Control Act (VJCCCA), the Comprehensive Services Act (CSA), and Mental Health/Developmental Services/Substance Abuse. The Proposed Special Revenue Fund Budget for FY2011-12 totals \$125,898,394, which represents an increase of \$6,564,847 or 5.5 percent over the current fiscal year.

It should be noted that many of these grant funded programs rely on State Aid. Estimates of State funding were based on the Governor's Proposed Budget Amendments, which were all validated in the budget approved by the General Assembly. In fact, in some areas additional funding was provided, in which the FY2011-12 Proposed Budget may be amended at a later date to reflect. The components of the Special Revenue Fund are seen in the chart on the following page:

FY2011-12 Proposed Special Revenue Fund Expenditures				
<u>Department</u>	<u>FY2010-11 Adopted</u>	<u>FY2011-12 Proposed</u>	<u>Increase/ (Decrease)</u>	<u>Percent Change</u>
Capital Region Workforce Consortium (formally CATC)	\$4,471,854	\$4,959,921	\$488,067	10.9%
Commonwealth Attorney	854,593	858,274	3,681	0.4%
Community Corrections	1,732,867	1,815,156	82,289	4.7%
Comprehensive Services Act	8,969,465	8,796,782	(172,683)	(1.9%)
Education	55,648,334	61,352,128	5,703,794	10.2%
Mental Health	32,014,819	32,442,571	427,752	1.3%
Other	100,201	100,201	0	0.0%
Public Safety	1,422,483	1,423,867	1,384	0.1%
Public Works	897,000	897,000	0	0.0%
Solid Waste	12,166,612	12,267,102	100,490	0.8%
Street Lights	72,500	72,500	0	0.0%
USDA (Juv. Detention)	30,429	27,500	(2,929)	(9.6%)
VJCCCA	952,390	885,392	(66,998)	(7.0%)
Total Special Revenue:	\$119,333,547	\$125,898,394	\$6,564,847	5.5%

Specific highlights of the Proposed Budget for the Special Revenue Fund are as follows:

- In the Capital Region Workforce Consortium (CRWC) area, formally Capital Area Training Consortium (CATC), overall expenditures are increasing \$488,067 due to additional federal funding that was received after the FY2010-11 budget was adopted that will continue to be available in FY2011-12. The additional funding is for the Workforce Investment Act and will be utilized by affected workers across the region.
- In the area of Mental Health, FY2011-12 expenditures are increasing \$427,752 or 1.3 percent, supported by a General Fund transfer of \$14,434,355, which has been reduced by \$138,315 in FY2011-12. The Department has spearheaded efforts to increase operating efficiencies and has renegotiated several contracts, which combined have resulted in nearly \$235,000 in annual savings. These increased efficiencies were applied to the cost of providing Day Support Services to individuals who graduate from special education programs without a waiting list. Efforts such as these have allowed Mental Health and Development Services to decrease its requirement for support from the County's General Fund for two straight fiscal years and lower its percentage of County support for four consecutive fiscal years.
- In the area of State and federal Education grants, funding is increasing \$5.7 million, mostly a result of an incentive pay pilot program by the U.S. Department of Education, officially

named the Teacher Incentive Fund Grant, which amounts to \$4,963,280 in FY2011-12 and will total \$16.4 million over five years. This pilot program will be implemented at eight eastern Henrico schools: Highland Springs High School, Fairfield Middle School, Wilder Middle School, Highland Springs Elementary School, Fair Oaks Elementary School, Laburnum Elementary School, Glen Lea Elementary School, and Adams Elementary School. The grant will allow teachers to receive up to \$8,000 in incentive pay and will allow school administrators to receive up to \$10,000 in incentive pay. This program could help in retaining teachers at these schools and eventually lead to improvements in student performance. Henrico and Prince William County are the only two Virginia districts receiving the federal grant.

- Funding for the County's Virginia Juvenile Community Crime Control Act (VJCCCA) area has been reduced by \$66,998 solely as a result of State funding reductions. The County's contribution for VJCCCA is increasing slightly, by \$3,181, in the FY2011-12 budget.

ENTERPRISE FUNDS

Water and Sewer

The Water and Sewer Enterprise Fund accounts for the provision of water and sewer services to residents of Henrico County. All activities necessary to provide such services are accounted for in this Fund, including operations, construction, and related debt service. The total cost of water and sewer services is funded by user fee revenue. No County taxes are used to support these services.

The Proposed Budget includes revenue estimates based on a 5.0 percent increase for water and sewer rates as well as a 5.0 percent increase in water and sewer connection fees.

The FY2011-12 Proposed Budget of \$78,390,209 includes expenditures for personnel, operating, capital outlay and debt service. Overall, the Water and Sewer Proposed Operating Budget including debt service costs is projected to increase by 9.2 percent, or \$6,620,763. Excluding debt service costs, the FY2011-12 Water and Sewer Proposed Operating Budget is increasing 1.8 percent or \$1,012,980 from the FY2010-11 Adopted Budget. Of this increase, \$1,131,900 is attributed to the annual payment to Cumberland County associated with the Cobbs Creek Reservoir as agreed upon in the Memorandum of Understanding (MOU) dated August 10, 2010. Outside of this payment, the Water and Sewer Proposed Operating Budget is actually decreasing \$118,920 from the FY2010-11 Adopted Budget.

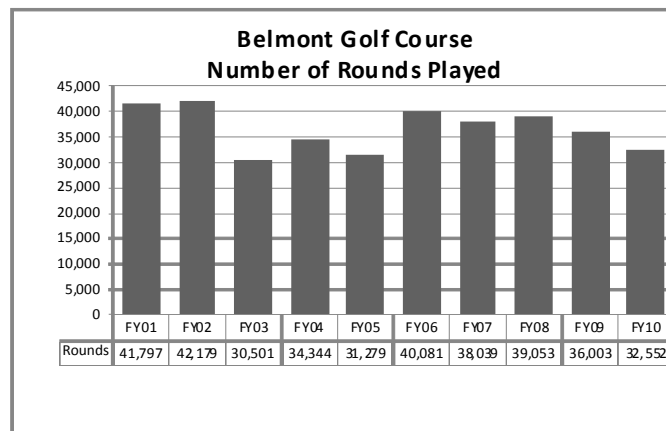
Debt service expenditures of \$20,391,286 represent a net increase of \$5,607,783 when compared to the current fiscal year. The reason for this increase is twofold. First, the Water and Sewer Fund generated significant debt service savings through two separate bond refundings, one for \$70.4 million in January 2009 and the second for \$22.9 million in December 2009. The bulk of the savings from these refundings was targeted for FY2009-10 and FY2010-11. Of the \$5,607,783 increase in debt service costs in FY2011-12, \$1,920,400 is associated with existing debt due to the payment structure of these refundings. Second, the Water and Sewer Fund anticipates the sale of new debt in FY2011-12 for the Cobbs Creek Reservoir Project. The debt service budget will fully fund requirements arising from the Water and Sewer Fund's outstanding debt, which on June 30, 2010 was \$182.7 million.

In addition to the Proposed Operating Budget, the Water and Sewer Proposed Capital Budget (found within the Capital Budget component of this document) totals \$100,827,965 for FY2011-12. In the Proposed Five Year Capital Improvement Program, requested capital infrastructure for the Water and Sewer Enterprise Fund totals \$559,439,780 over five years. As an Enterprise Fund, revenues generated by this operation must support both the proposed operating expenditures as well as ensuring that

Proposed Capital Budget expenditures over a multi-year period may be funded. It should be noted that the five-year Capital Improvement Program for the Water and Sewer fund represents 29.4 percent of the total County Five-Year Capital Improvement Program. However, when looking at the County's current FY2010-11 Operating Budget, the Water and Sewer fund represents 7.0 percent of recommended expenditures. The difference between the relative proportion required for Water and Sewer in the Capital Budget as opposed to the Operating Budget is indicative of the significant infrastructure maintenance and replacement requirements that are present in this operation.

Belmont Golf Course

The Proposed Budget for the Belmont Golf Course in FY2011-12 is \$1,220,070, which represents a net reduction of 0.5 percent from the FY2010-11 Approved Budget. This budget includes \$1,047,616 for the Golf Course operations, \$149,954 for the Snack Bar, and \$22,500 for payment on a loan from the General Fund.



The personnel component for the Golf Course operations and the Snack Bar increased by \$8,228 or 1.6 percent due to a merit increase and the increased cost to provide health care benefits. Operating expenditures are forecasted to decline by \$13,151 or 2.2 percent while the capital component is expected to decrease by \$2,640. The rehabilitation project planned for FY2011-12 includes the replacement of the siding on the Belmont tower in front of the pro shop. The snack bar plans to replace an electric flat-top grill.

The revenues for Belmont Golf Course consist of green fees, cart rentals, and the sale of items at the Snack Bar. Prices are set to provide a quality yet affordable golfing experience for the County's citizens. Green fees will remain the same in FY2011-12 after an increase of \$1 on July 1, 2010.

HEALTHCARE FUND

Effective January 1, 2008, Henrico County's health care program transitioned to a self-insurance program in an effort to save administrative expenses. Prior to this transition, the County's health care program operated as a fully insured program, which, in exchange for the payment of a premium, an insurance company assumed the risk, administered the program, and paid all claims. With the transition to a self-insured program, the County pays claims and third party administrative fees. Self-insurance allows the County to more fully control all aspects of the plan, including setting rates to smooth out the impact of increases on employees and the County, while maintaining adequate funding to cover claims, expenses, and reserves.

The Proposed FY2011-12 Budget for the Healthcare fund totals \$89,903,205, which is an increase of \$4,747,299 or 5.6 percent. Included in this figure is \$63,736,695 in funding that is budgeted within individual County and Schools departments as the County's contributions for Healthcare for active and retired employees. The balance of funding, \$26,166,510, is the employee and retiree payments for their portion of healthcare, as well as the use of \$4.0 million from the Premium Stabilization Reserve, which was necessary to minimize the rate increase to the County and avoid a rate increase to employees in calendar year 2011. The majority of the budget, \$84,603,205 or 94.1 percent of the total Healthcare

budget is allocated for payment of claims. The remaining \$5,300,000 is allocated for the payment of third party administrative fees, premium payments for excess risk insurance, and an actuarial study.

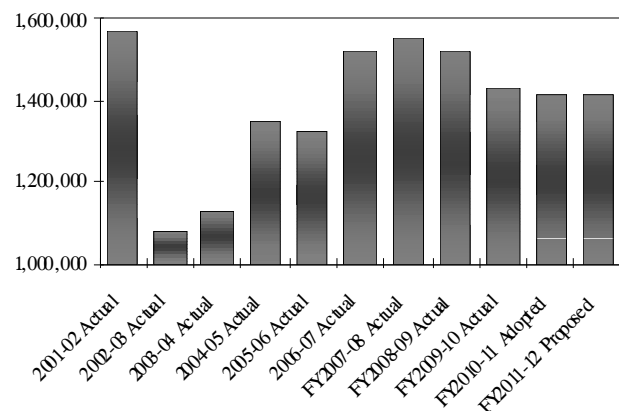
AGENCY FUND

The JRJDC Proposed Operating Budget (excluding debt service) totals \$4,867,199 for FY2011-12. This is an increase of \$15,269 or 0.3 percent when compared to the FY2010-11 Approved Budget. Debt service costs, paid entirely by Henrico County, are budgeted at \$674,610.

The Commission bills each participating locality their operating share based on the number of beds assigned in the 60-bed facility. Per the JRJDC agreement, Henrico has 52 beds and Powhatan and Goochland have 4 beds each. The Commission will bill the participating localities their share of the operating costs at the following percentages: Henrico - 86.6 percent, Powhatan - 6.7 percent, and Goochland - 6.7 percent. Additionally, some localities in Virginia are operating above capacity in their detention homes, and the JRJDC will lease bed space to them, as space is available.

State Aid for the Commission is estimated at \$1,412,270 in the Proposed Budget. This figure remains at the same level as in FY2010-11. As can be seen on the accompanying graph, the level of State funding remains below what it was in FY2001-02 when the average daily population of the facility was 34, as compared to the average daily population of 58 in FY2009-10.

JRJDC State Funding



Total Henrico County funds for the Commission are budgeted at \$3,281,089 in FY2011-12 and represents a decrease of \$700.

DEBT SERVICE FUND

The County is projected to have total outstanding general debt of \$499,930,000 as of June 30, 2011. The distribution of the debt is: \$388,595,000 of General Obligation (GO) bonds (\$280,311,666 for Schools and \$108,283,334 for General Government), \$26,215,000 of Industrial Development Authority (IDA) bonds for the regional jail project, \$9,330,000 of IDA bonds for General Government projects, \$72,830,000 of Virginia Public School Authority (VPSA) bonds, and \$2,960,000 for the JRJDC, which is included in the total outstanding debt figure above as it is included in the bond rating agencies' calculations. It must be noted that of the \$499,930,000 projected June 30, 2011 outstanding debt, \$353,141,666 or 70.6 percent is attributed to Education projects and \$146,788,334 or 29.4 percent is attributed to General Government projects.

In order to ensure that the County does not exceed its ability to service current and future debt requirements, an annual long-term debt affordability analysis is performed and utilized as a forecasting tool when confronted with the question of potential debt issues. The County has established the following debt affordability guidelines – debt service as a percentage of assessed value, 1.49 percent; debt service as a percentage of General Fund expenditures, 7.75 percent; and net bonded debt per capita, \$1,650. Following are three of the ratios that are calculated in the debt capacity analysis, which was most recently completed in February 2011:

- The ratio of net bonded debt to total assessed value is a standard measure of the County's ability to meet interest and principal payments on its long-term debt. The County has a ratio of 1.40% in FY2010-11.
- The ratio of debt service to General Fund expenditures measures the percentage of the budget used to pay debt service and provides a measure of the annual demands placed on the Operating Budget by the County's long-term debt. This ratio is 6.54% in FY2010-11.
- Net bonded debt per capita is the amount of debt outstanding divided by the number of County residents. The amount of debt per capita in FY2010-11 is \$1,608.

On March 8, 2005, the County voters approved a \$349,300,000 General Obligation (GO) Bond Referendum. The referendum included projects for Schools, Fire, Public Library, Roads, and Recreation and Parks. Of the total \$349,300,000 referendum approved by the voters, Education projects totaled \$220,000,000 and General Government projects totaled \$129,300,000. The funding for these projects is being phased in over a seven-year period with one G.O. Bond issue per year. With \$33.3 million to be issued in FY2011-12, it should be noted that the County will have \$35.7 million in remaining GO Bond authorization after the FY2011-12 issue from the \$349.3 million GO Bond Referendum approved in March 2005.

CAPITAL IMPROVEMENT PROGRAM

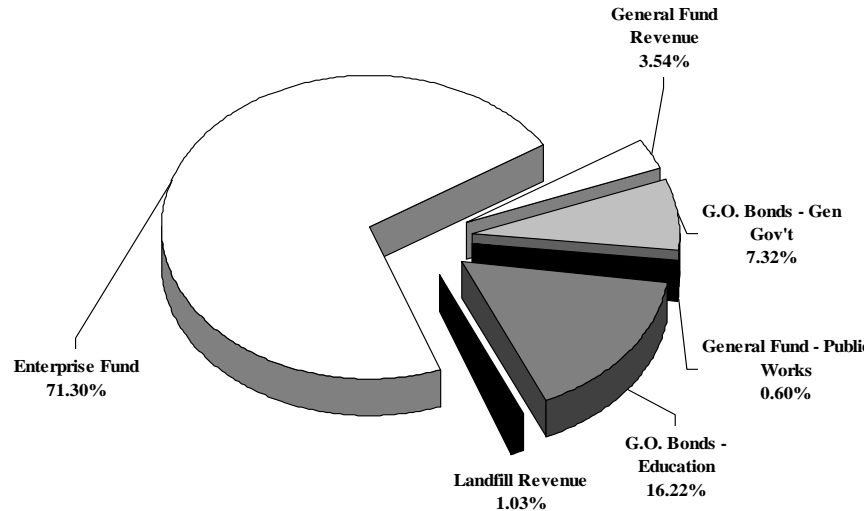
One of the County's financial priorities is met through the five-year Capital Improvement Program (CIP), which ensures that infrastructure improvements are planned thoroughly and that financing those improvements is done prudently. The CIP is a very valuable document because we must achieve a balance between available resources and competing priorities. The five-year CIP for FY2011-12 through FY2015-16 totals \$1,902,462,719. This amount is indicative of the County's increasing infrastructure requirements and the demand that the Capital Budget will continue to place on resource allocation in the future. Projects recommended for funding in the first year of the CIP are included in the Proposed Capital Budget that follows.

Proposed FY2011-12 Capital Budget:

The Proposed Capital Budget for FY2011-12 totals \$141,409,173 and is funded through a variety of revenue sources. Not included in the FY2011-12 Proposed Capital Budget is State Transportation Funding (Gas Tax) for Public Works projects due to continued issues with State budget shortfalls and the uncertainty associated with that funding source. Since the amount of the County's Gas Tax allocation is unknown at this time, the prudent decision is to not propose any funding for Road projects that would utilize Gas Tax as a funding source. If the General Assembly approves a budget that includes funding for road projects, these projects will be appropriated via an amendment to the budget in FY2011-12.

The funding percentages included in the Proposed Capital Budget may be seen on the graph below:

FY2011-12 Proposed Capital Budget



Total Recommended Resources: **\$141,409,173** **100.0%**

Highlights of the FY2011-12 Proposed Capital Budget are as follows:

The issuance of General Obligation (G.O.) Bonds - March 2005 will fund \$10.4 million for General Government and \$22.9 million for Education projects as authorized by the voters. The General Government 2005 G.O. Bond projects in the Capital Budget include the renovation and expansion of Fire Station #13, land and planning costs to replace the Dumbarton Area Library, and the development of Twin Hickory Park. The Education 2005 G.O. Bond projects include funding for the renovation of Pinchbeck Elementary School and the addition of \$17.8 million into an Education Bond Project Reserve. The funding being allocated to the reserve was originally requested for projects that included only land, planning, and/or partial renovation costs within the \$220,000,000 approved by the citizens on the March 2005 Referendum for Education projects. With identified funding shortfalls in higher priority projects, the prudent decision is to propose putting these funds into a reserve for future allocation.

The Proposed FY2011-12 Capital Budget includes the use of \$5,000,000 of General Fund revenues for various capital projects. These projects consist of \$2,500,000 for roof replacements and mechanical improvements at Education facilities and \$2,500,000 for General Government projects. The General Government projects include funding for building maintenance area safety improvements, pavement rehabilitation projects, a panel upgrade for the County's card access system, technology upgrades, improvements to the County's data network and the beginning of the replacement of the County's telephone system to a VOIP solution, facility rehabilitation at recreation and park facilities, and the continued improvements for the County's Geographical Information System. General Fund - Public Works revenue of \$850,000 has been designated for various road improvement projects.

The remaining \$100,827,965 of the FY2011-12 Proposed Capital Budget is designated for water and sewer projects, which are supported by forecasted revenues generated by the Water and Sewer Enterprise fund. Public Utilities has requested \$8,775,000 for recurring water and sewer projects such as water and sewer line rehabilitation, capital project plan review, connections, extensions, preventive maintenance of various water and sewer pump stations, and various relocations, adjustments, and

crossings projects. The remaining projects in this program area planned in FY2011-12 include the following: \$400,000 for the Ridge Water Pressure Zone, \$1,035,000 for the Beverly Hills Area Water Rehabilitation, \$3,300,000 for expansion of the Water Treatment Plant, \$4,200,000 for Strawberry Hill Basin Sewer Rehabilitation, \$253,965 for River Road Basin Sewer Rehabilitation, and \$25,739,000 for the Lakeside to Strawberry Hill Sewer Pump Station flow equalization pipeline. The Proposed Budget also includes \$56,250,000 for costs associated with permitting, design, utility relocations, land acquisition, and mitigation for the Cobbs Creek Reservoir in Cumberland County, a project that will be completed over the next ten years and has a projected cost (in current dollars) of \$237,950,000. Additionally, the Proposed Budget includes \$50,000 for roof replacements, \$325,000 for water meters, and \$500,000 for various information technology projects.

G.F.O.A. DISTINGUISHED BUDGET AWARD

The Government Finance Officers Association (GFOA) of the United States and Canada, each year nationally recognizes budgets that meet certain rigorous standards. GFOA presented an Award for Distinguished Budget Presentation to the County of Henrico for its Annual Fiscal Plan for FY2010-11. In order to receive this award, a governmental unit must publish a budget document that meets stringent program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. The award is valid for a period of one year only. After receiving the award for twenty-one consecutive years, we believe our current budget continues to conform to the program requirements, and we will be submitting it to GFOA to determine its eligibility for a twenty-second year.

SUMMARY

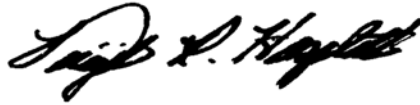
As stated in the introductory section of this letter, the past three fiscal years have been among the most difficult this County has ever seen. Revenues from all sources declined to levels that were previously unimaginable. However, Henrico County went into the recession in a much better position than other localities and it will emerge from this recession stronger than ever. The County is one of few in the State that has maintained all existing service levels, didn't layoff or furlough staff, and didn't raise one tax rate. Not only has the County become much leaner, it has sought additional efficiencies and cost savings that continue to set us apart from other local governments in the Commonwealth. This new cost savings effort has permeated from the top down, in both General Government and Education, and has already generated millions of dollars in permanent savings.

As we slowly emerge from the economic downturn of the past three years, the cost savings generated by this new approach will afford the County the ability to maintain its leading position as the leanest of local governments. The FY2011-12 Proposed Budget accomplishes these fundamental goals. Overall, revenues reflect cautious optimism and have been projected conservatively with an eye towards the future.

On the expenditure side of the ledger, all General Government and Schools employees will receive a 2.372 percent salary increase in this Proposed Budget, the first since FY2008-09. Fittingly, this salary increase is only possible due to the cost cutting efforts of all County and Schools employees. I consider this salary increase a reward to all employees for their tireless dedication to their jobs and, more importantly, to the citizens of Henrico County during these difficult economic times.

I would like to thank the County staff for the many hours of hard work that went into the development of this budget. I would also like to express my gratitude to our Department Heads who continue to find ways to do more with less, while also seeking quality improvement in their daily operations. Finally, I would like to thank the Superintendent and the School Board for their efforts and continued cooperation that will result in the continued success of our County. As always, the staff and I stand ready to assist you in making the best possible choices for the future of our community.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Virgil R. Hazelett". The signature is fluid and cursive, with a large initial "V" and "H".

Virgil R. Hazelett, P.E.
County Manager

BASIS OF BUDGETING AND FUND STRUCTURE

BASIS OF BUDGETING

Budgets are adopted on a basis consistent with generally accepted accounting principles ("GAAP"). Governmental and Fiduciary Funds utilize the modified accrual basis of accounting under which revenues and related assets are recorded when measurable and available to finance operations during the year. Proprietary Funds use the accrual basis of accounting which recognizes revenues when earned and expenses when incurred. Annual operating budgets are adopted for all Governmental Funds except for the Capital Projects Fund in which effective budgetary control is achieved on a project-by-project basis when funding sources become available. All appropriations lapse at year-end, except those for the Capital Projects Fund. It is the intention of the Board of Supervisors that appropriations for capital projects continue until completion of the project.

FUND STRUCTURE

The budget of the County is organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. The various funds are grouped as follows:

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions of the County are financed. These include:

General Fund

The General Fund accounts for all revenue and expenditures of the County which are not accounted for in the other funds. Revenues are primarily derived from general property taxes, local sales taxes, license and permit fees, and revenues received from the State for educational purposes. A significant part of General Fund revenues is used to maintain and operate the general government, however, a portion is also transferred to other funds principally to fund debt service requirements and capital projects. Expenditures include, among other things, those for general government, education, public safety, highways and streets, welfare, culture, and recreation.

Special Revenue Fund

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. These funds account for the resources obtained and used relating to State and Federal Grants, Mental Health and Developmental Services programs, the Utility Department's Solid Waste and Street Light operations and the School Cafeteria.

Debt Service Fund

The Debt Service Fund accounts for the accumulation of financial resources for the payment of interest and principal on all governmental fund long-term debt except for accrued compensated absences and capital lease obligations which are paid by the fund incurring such expenditures. Debt Service Fund resources are derived from transfers from the General Fund.

Basis of Budgeting and Fund Structure (continued)

Capital Projects Fund

The Capital Projects Fund accounts for all general government and school system capital projects which are financed through a combination of proceeds from general obligation bonds and operating transfers from the General Fund, Special Revenue Fund, and Internal Service Fund.

PROPRIETARY FUNDS

Proprietary funds account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the County is that the cost of providing services to the general public be financed or recovered through charges to users of such services. These funds include:

Enterprise Funds

These funds account for the operation, maintenance and construction of the County-owned water and wastewater (sewer) utility, and the County-owned golf course.

Internal Service Funds

An Internal Service Fund accounts for the financing of goods or services provided by one department to other departments of the government on a cost-reimbursement basis. The Internal Service Fund budgets for the County are: the Central Automotive Maintenance operations, the Technology Replacement Fund, the Risk Management Fund, and the Healthcare Fund.

FIDUCIARY FUND

Fiduciary funds are used if the government has a fiduciary or custodial responsibility for assets.

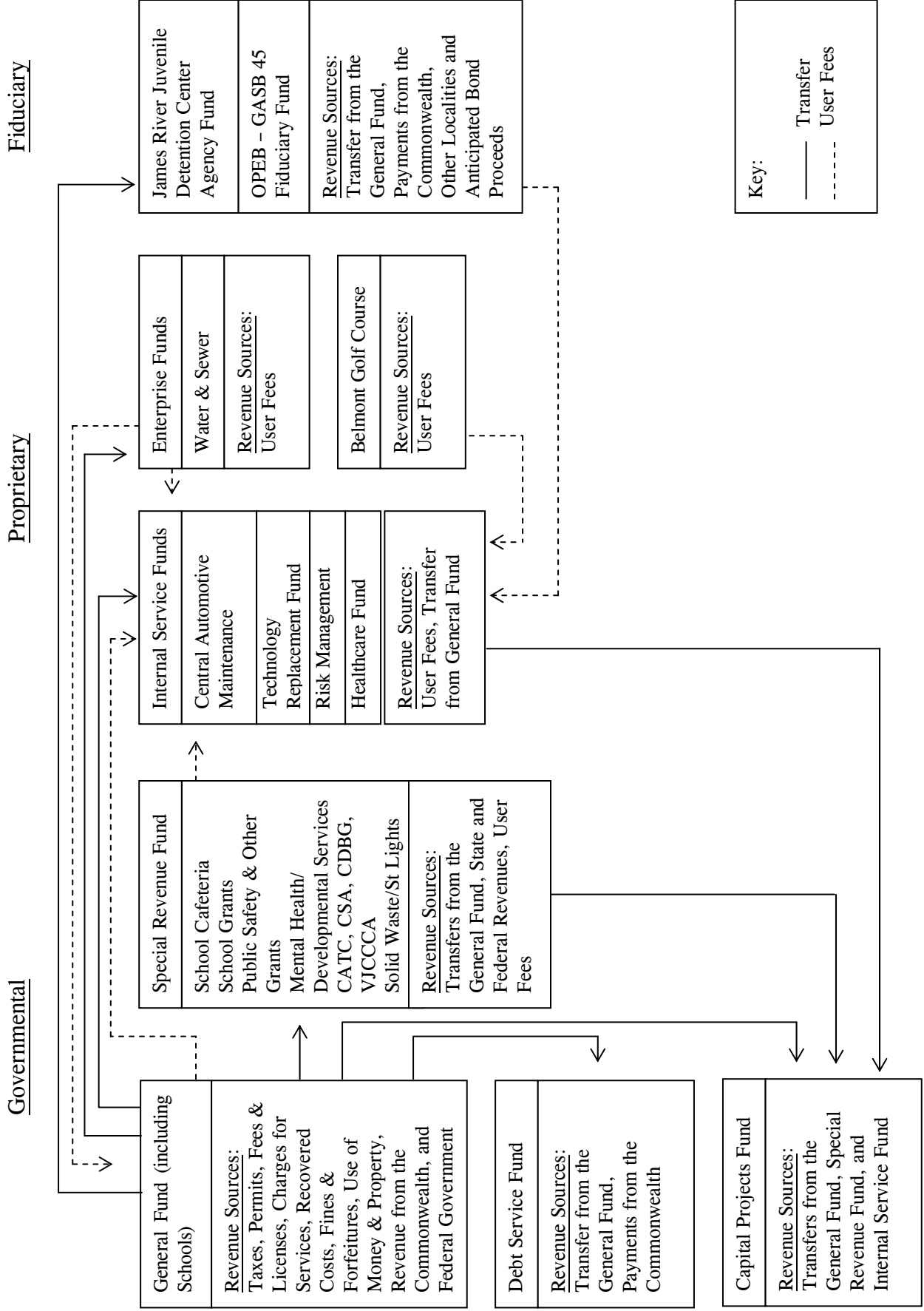
James River Juvenile Detention Center Agency Fund

The Agency Fund accounts for assets held by the County for the James River Juvenile Detention Commission. All revenue and expenditures related to operations are accounted for in separate sub-funds, operating, debt, and capital. Resources for operations are primarily derived from a transfer from the General Fund and payments from the State and other localities.

Other Post Employee Benefits Fiduciary Fund (GASB 45)

The Fiduciary Fund accounts for assets held by the County for Other Post Employee Benefits (OPEB-GASB45 costs). Resources for these cost requirements are derived from a transfer from the General Fund.

STRUCTURE OF COUNTY FUNDS





HENRICO COUNTY'S BUDGET PROCESS

THE BUDGET CYCLE

Aug 2010

Sun	Mon	Tue	Wed	Thu	Fri	Sat
25	26	27	28	29	30	31
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31	1	2	3	4

Sep 2010

Sun	Mon	Tue	Wed	Thu	Fri	Sat
29	30	31	1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	1	2
3	4	5	6	7	8	9

Oct 2010

Sun	Mon	Tue	Wed	Thu	Fri	Sat
26	27	28	29	30	1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31	1	2	3	4	5	6

August through September Revenue Estimates

Henrico County's budget process begins with an estimate of revenues in order to develop a budget balanced within resources. Revenue estimates begin in August of the year prior to the fiscal year being adopted. This process includes the review of current County finances, local and regional economic conditions, and a re-examination of key local economic indicators. This includes such specifics as building permits, tax assessments, business license records, retail sales by category and type. The questions that are asked in this review are aimed at acquiring relevant financial information that will set the broad limits of budgetary possibilities. From a fiscal perspective, the basic question is whether current revenues support the necessary budgetary outlays.

October Target Development

The next step in the budget process is to create a funding or target allocation for each department, which is calculated by the Office of Management and Budget in October. Debt service requirements are the top priority before targets are created for the individual departments. Payroll expenditures are the next “fixed” obligation. The target allocation provides the funding for all of the current positions in the County’s personnel complement. The target allocation assigned to the individual

department also provides funding for operating and capital outlay items, which are based on the prior year approved budget. It does not automatically include an inflation factor for operating expenditures, nor does it fund any new services or positions. The target allocations do, where applicable, include the operating costs of new facilities approved in prior year budgets. This “link” between the operating and capital budgets is performed through an annual crosswalk that determines all such costs. The FY2011-12 Operating budget includes all operating costs arising from new facilities that are anticipated to become operational during the fiscal year. For additional information, please see “Capital Improvement Program – Implications on Operating Budget”, found elsewhere in this document.

THE BUDGET CYCLE

Nov 2010

Sun	Mon	Tue	Wed	Thu	Fri	Sat
31	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	1	2	3	4
5	6	7	8	9	10	11

November

Budget Call for Estimates

Each year all County departments receive the County Manager's "Call for Estimates" (i.e., budget call) in November, which contains the budget policy, special budget instructions, various revisions to the budget manual, a budget calendar, and the target allocation. The Call for Estimates is accompanied by information on using the County's Automated Budget System, which enables the departments to prepare their budget requests on their departmental personal computers and

submit them to the Office of Management and Budget (OMB) electronically. The budget request consists of expenditure estimates in detail by line item, and in summary, together with supporting narrative information. When expenditure needs exceed the target allocation, departments must submit a request for additional funding. Certain County departments such as Education, Police, and Fire are considered priorities when allocating new funds among departments. Each request must be prioritized and prepared with detailed justification to support the need for additional funding.

November through December

Financial Trend Monitoring System

An important step of the budget process involves the completion of the Financial Trend Monitoring System Trends Document, which represents an eleven-year evaluation of past financial and economic indicators. These indicators, over time, may reflect fluctuations, which when analyzed, prove to be extremely valuable as a management tool. The document allows staff to monitor changes in all aspects of the local economy and provides an insight into possible trends that may impact future decision making. This document, which analyzes historical trends, is utilized as a forecasting tool and provides a logical way of introducing long-range considerations into the annual budget process. The County benefits by examining historical trends of financial and economic indicators prior to initiating the budget process. For more information regarding the Trends document, please see <http://www.co.henrico.va.us/departments/finance/divisions/office-of-management-and-budget/>

Dec 2010

Sun	Mon	Tue	Wed	Thu	Fri	Sat
28	29	30	1	2	3	4
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12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	1
2	3	4	5	6	7	8

December

Budget Submissions

All County departments submit their budgets in the first week in December for initial review by the Office of Management and Budget. This includes both the target allocation as well as any supplemental requests for funding. The Budget Director and the OMB staff prepare the revenue estimates, and work closely with the County Manager and department administrators in reviewing expenditure estimates both in program and financial terms.

THE BUDGET CYCLE

Jan 2011

Sun	Mon	Tue	Wed	Thu	Fri	Sat
26	27	28	29	30	31	1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
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23	24	25	26	27	28	29
30	31	1	2	3	4	5

Feb 2011

Sun	Mon	Tue	Wed	Thu	Fri	Sat
30	31	1	2	3	4	5
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20	21	22	23	24	25	26
27	28	1	2	3	4	5
6	7	8	9	10	11	12

from the departments are present at the time of these reviews and have the opportunity to make presentations and answer questions relative to their budget requests. The Budget Office finalizes recommendations based on the Executive Review Committee results.

Mar 2011

Sun	Mon	Tue	Wed	Thu	Fri	Sat
27	28	1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31	1	2
3	4	5	6	7	8	9

five magisterial districts. The budget document that is presented to the County Board of Supervisors during these hearings represents the culmination of long periods of intensive research and analysis. The purpose of the document is to present to the legislative body and the public a comprehensive picture of proposed operations for the budget year, expressed in both verbal and statistical terms. During the hearings, the Board of Supervisors examines all line items in each of the department's budgets and all associated operational premises. These hearings are held during the course of one week, in the middle of March, approximately eight hours per day. Based on these hearings, the County Board of Supervisors may amend the County Manager's Proposed Budget.

December through January

Review of Budget Submissions

The Department of Management and Budget reviews each department's budget submission and provides recommendations, as appropriate, to the County Manager. These recommendations include expenditure analyses and evaluations of budget submissions. As a result of this review, a narrative for each department is created.

January through February

Executive Budget Reviews

After the expenditure estimates are analyzed, department requests are presented to the Executive Budget Review Committee. This Committee holds hearings to discuss budget submissions with departments in the last week of January through the first week in February. The Executive Budget Review Committee consists of the County Manager, (five) Deputy County Managers, the Director of Finance, the Director of Human Resources, the Director of the Office of Management and Budget (OMB), and the supporting (six) budget analysts. The representatives

March

Legislative Budget Reviews

Based on information exchanged during the Executive Budget Reviews, a balanced budget is recommended by the County Manager to the County Board of Supervisors as the Proposed Budget in early March. (The Code of Virginia requires that the County Manager submit a balanced budget to the Board of Supervisors). The Legislative Budget Review Committee is comprised of the County Board of Supervisors, which represents each of the County's

THE BUDGET CYCLE

Apr 2011

Sun	Mon	Tue	Wed	Thu	Fri	Sat
27	28	29	30	31	1	2
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17	18	19	20	21	22	23
24	25	26	27	28	29	30
1	2	3	4	5	6	7

hearings be held before the Board adopts the budget. The Board of Supervisors adopts the Annual Fiscal Plan during this month and sets tax levies for the Calendar Year.

April (Second and Fourth Tuesdays)

Public Hearing and Adoption of Budget

Once the County Board of Supervisors has received the County Manager's Proposed Budget, advertisements in the local newspaper are ordered and a date is set for the Budget Public Hearing in April. The FY2011-12 Public Hearing was held on April 12, 2011. The public hearing that sets the tax levies was held on April 26, 2011. The Code of Virginia requires that the County advertise a synopsis of the budget in the newspaper and that one or more public

May 2011

Sun	Mon	Tue	Wed	Thu	Fri	Sat
24	25	26	27	28	29	30
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31	1	2	3	4

May

Publish and Distribute Budget

During the month of May, the final Annual Fiscal Plan is compiled, published, and distributed.

Jun 2011

Sun	Mon	Tue	Wed	Thu	Fri	Sat
29	30	31	1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	1	2
3	4	5	6	7	8	9

June

Appropriation of Budget

In the final month of the current fiscal year (last Board meeting in June), the Board of Supervisors appropriates funding for the next Annual Fiscal Plan, which is required by the Code of Virginia.

During the Fiscal Year

Transfers

The County Manager is authorized to transfer budgeted amounts between departments within any Fund; however, any revisions that alter the total budgeted amounts and/or appropriations of any Fund require an amendment to the budget. The Code of Virginia requires that the Board of Supervisors approve any amendment request. If the total amendment requested at any one time is over one percent of the current total appropriation, the request also must be advertised in the newspaper and a public hearing must be held before the Board can act.

FINANCIAL GUIDELINES

The following informal guidelines represent principles and practices that have guided the County in the past and have helped foster the County's current financial stability. These guidelines allow the Board maximum flexibility each year when determining how best to meet the needs of County residents when adopting the Annual Fiscal Plan.

General Guidelines:

The County of Henrico will maintain its AAA General Obligation Bond ratings with Standard and Poors, Moody's Investor Service and Fitch IBCA. Currently, Henrico County is one of 34 Counties in the nation that maintains a AAA/AAA/Aaa General Obligation Bond rating.

The County of Henrico will continue its efforts of right-sizing, as a means of ensuring the County's residents an efficient and highly effective local government.

The County of Henrico will utilize technological advances as a means of increasing employee productivity and reducing the need for new positions.

The County of Henrico will allocate new dollars (after meeting fixed commitments such as debt service requirements and benefits changes) to the areas of Education and Public Safety first.

The County of Henrico will attempt to utilize benefits of new economic development successes as a means of maintaining the low tax rate environment our residents currently enjoy. In addition, the County will maintain a balance between the need for real estate tax relief for our residents with the long-term operational needs of the County. In that regard, **the FY2011-12 Annual Fiscal Plan is based on a Real Estate Tax rate of \$0.87/\$100 of assessed valuation for CY2011 real estate tax levies.**

The County of Henrico has reduced Business and Professional License (BPOL) Taxes levied on County businesses as a means of encouraging area businesses to locate within Henrico County. The FY2011-12 Annual Fiscal Plan maintains the BPOL Tax Reduction initiated by the Board of Supervisors in 1996. The first \$100,000 in gross receipts is exempt from BPOL taxes and a uniform maximum BPOL tax rate of \$0.20/\$100 for all categories has been maintained.

The County of Henrico will continue its proactive efforts to bolster the quality of life our residents now enjoy.

Budgetary Guidelines:

The County's budgetary policies are based upon guidelines and restrictions established by State and County Code and Generally Accepted Accounting Principles (GAAP) for Governmental entities. These provisions set forth the County's fiscal year, public hearing and advertising requirements, restrictions on taxation, and also stipulate that the County must maintain a balanced budget.

The County's budget may be considered balanced if estimated revenues meet planned expenditures.

Financial Guidelines (continued)

Cash Management:

The County will invest public funds in a manner that provides the highest investment return with the maximum safety while meeting daily cash flow demands. The County will deposit available funds on the same day they are received.

Capital Improvement Program Guidelines:

The County will develop a Five-Year Capital Improvement Program annually. The first year of this plan will be approved by the Board of Supervisors after legal advertising and public hearing requirements have been met.

The County's Capital Improvement Program will utilize debt financing as a funding source only after it has been determined that the County can afford to service this debt and associated operating costs in subsequent years. The County will attempt to maximize the use of pay-as-you-go financing for capital projects.

The County will continue to enhance the level of pay-as-you-go funding in the annual Capital budget as a means of reducing reliance on debt financing for capital projects.

The County will ensure that all operating costs arising from approved capital projects are accounted for in the operating budget, through the compilation of an annual crosswalk analysis that captures all such costs.

The County will maintain its physical assets at a level adequate to protect the County's capital investment and minimize future maintenance and replacement costs. The operating budget will provide for the adequate maintenance of these facilities and infrastructure.

Debt Guidelines:

A long-term debt affordability analysis will be completed on an annual basis as a means of ensuring that the County does not exceed its ability to service current and future debt requirements. This analysis will verify that the County is maintaining the following prescribed ratios and will be performed in conjunction with the County's Capital Improvement Program Process. The guidelines that are utilized are as follows:

Debt Service as a Percentage of General Fund Expenditures: 7.75%

Debt as a Percentage of Assessed Value: 1.49%

Debt per Capita: \$1,650

The County will adopt annual water and sewer rates that will generate sufficient revenues to meet the legal requirements of Enterprise Fund bond covenants. These rates will also allow for adequate capital replacement in water and sewer systems.

Financial Guidelines (continued)

Revenues:

Multi-Year revenue and expenditure forecasts for all County funds will be included as a part of the Adopted Annual Fiscal Plan.

The County of Henrico will attempt to maintain a stable but diversified revenue base as a means of sheltering it from fluctuations in the economy.

The County will continue to strive to exceed a 70% residential – 30% commercial real estate assessment ratio. Maintaining a healthy commercial ratio will help the County maintain current tax rates while continuing to enhance service delivery efforts – particularly in the area of Education.

While revenues are monitored continually, a report is compiled quarterly that depicts current year trends, receipts, and explains any unanticipated revenue variances.

Fund Balance Guidelines:

The County has, over time, maintained a healthy undesignated fund balance – as compared to similar sized Virginia localities. As a percentage of actual General Fund expenditures, the County's undesignated fund balance has been:

FY99:	10.67%
FY00:	12.90%
FY01:	15.54%
FY02:	16.69%
FY03:	17.79%
FY04:	18.04%
FY05:	18.00%
FY06:	18.00%
FY07:	18.00%
FY08:	18.00%
FY09:	18.00%
FY10:	18.00%

During the FY2005-06 budget, the Board of Supervisors agreed with a policy recommendation to maintain the undesignated fund balance at a level of 18.0 percent of General Fund expenditures effective June 30, 2006. During the fiscal year-end closing of the County's books, any funding over the 18.0 percent will be allocated to a Capital Reserve Fund for future allocation as a pay-as-you-go funding source in the Capital Budget. The policy of maintaining this reserve will be examined on an annual basis, during the annual budget process.

The County will not use its undesignated fund balance to subsidize current operations.

Note: The fund balance portrayal above is different than the analysis performed annually in the Trends document. The Trends portrayal examines the Undesignated Fund Balance as a percentage of revenues in the Operating Funds – which includes the General, Special Revenue and Debt Service Funds. The portrayal above reflects the County's Undesignated Fund Balance as a percentage of General Fund Expenditures.

Financial Guidelines (continued)

Inter-Fund Guidelines:

The General Fund will be reimbursed annually by the Enterprise Fund for general and administrative services provided such as finance, personnel, and administration.

The General Fund will reimburse the Enterprise Fund, on an annual basis, for debt service requirements associated with the Elko Tract Infrastructure Improvement Bonds.

The General Fund will subsidize the Solid Waste Operation for costs not recouped from user fees associated with curbside recycling, bulky waste pickup, neighborhood cleanups and bagged leaf collection.

REVENUE
AND
EXPENDITURE
SUMMARIES

**COUNTY OF HENRICO, VIRGINIA
SOURCE OF APPROVED REVENUES
- ALL FUNDS -**

Revenues: Function/Program	FY 09-10 Actual	FY 10-11 Original	FY 11-12 Approved
Revenue from Local Sources:			
General Property Taxes	\$367,526,133	\$389,000,000	\$388,660,000
Other Local Taxes	119,791,016	114,015,000	114,755,000
Permits, Fees, and Licenses	3,323,219	4,241,777	4,347,777
Fines and Forfeitures	2,766,868	2,631,017	2,788,749
Use of Money and Property	4,528,756	10,259,974	10,216,917
Charges for Services	119,371,616	123,430,056	128,559,990
Recovered Costs	94,318,736	107,438,555	111,403,740
Miscellaneous	12,085,772	10,375,688	9,556,321
Shared Expenses	445,768	403,312	403,312
Total from Local Sources	<u>\$724,157,884</u>	<u>\$761,795,379</u>	<u>\$770,691,806</u>
Revenue from the Commonwealth:			
Non-categorical Aid	54,917,281	17,653,473	17,782,087
Shared Expenses	17,111,030	15,181,070	16,241,070
Categorical Aid	294,594,222	266,010,504	273,019,834
Total from the Commonwealth	<u>\$366,622,533</u>	<u>\$298,845,047</u>	<u>\$307,042,991</u>
Revenue from the Federal Government:			
Categorical Aid	55,782,831	54,051,178	57,970,530
Total from the Federal Government	<u>\$55,782,831</u>	<u>\$54,051,178</u>	<u>\$57,970,530</u>
Total Revenues	<u>\$1,146,563,248</u>	<u>\$1,114,691,604</u>	<u>\$1,135,705,327</u>
(To) From Fund Balance/Retained Earnings			
(To) From General Fund Balance	(7,224,069)	5,000,000	5,000,000
(To) From General Fund - Revenue Stabilization	750,000	11,548,345	10,248,671
(To) From Fund Balance - Designated Capital Reserve	9,150,000	3,565,242	0
(To) From Debt Service	2,000,000	2,000,000	2,000,000
(To) From School Cafeterias	(949,704)	(431,459)	(600,000)
(To) From Special Revenue Fund - Economic Development	(1,010,769)	0	0
(To) From Special Revenue Fund	253,700	0	0
(To) From Solid Waste	(8,981)	(753,090)	529,349
(To) From Street Lights	0	0	0
(To) From Retained Earnings - Water & Sewer	(23,227,043)	(23,149,939)	(20,367,958)
(To) From Retained Earnings - Golf Course	183,155	0	0
(To) From Self-Insurance Reserve	0	0	0
(To) From Other Funds - CAM	(590,600)	0	0
(To) From Other Funds	(3,670,690)	4,368,485	4,962,461
Total Fund Balance	<u>(\$24,345,001)</u>	<u>\$2,147,584</u>	<u>\$1,772,523</u>
Total Revenues and Fund Balances	<u>\$1,122,218,247</u>	<u>\$1,116,839,188</u>	<u>\$1,137,477,850</u>
Operating Transfers to Capital Projects Fund	(20,923,498)	(9,415,242)	(7,300,000)
Interdepartmental Billings	(71,281,139)	(84,250,164)	(86,446,256)
Total Source of Funding	<u><u>\$1,030,013,610</u></u>	<u><u>\$1,023,173,782</u></u>	<u><u>\$1,043,731,594</u></u>

**COUNTY OF HENRICO, VIRGINIA
TOTAL APPROVED EXPENDITURES
- ALL FUNDS -**

<u>Department</u>	<u>FY 09-10 Actual</u>	<u>FY 10-11 Original</u>	<u>FY 11-12 Approved</u>
01 Board of Supervisors	\$1,162,420	\$1,096,518	\$1,104,851
02 Library	14,787,390	15,634,256	15,917,916
03 Sheriff	33,814,670	33,515,801	33,561,876
04 Circuit Court	2,958,140	2,920,449	2,949,797
05 Commonwealth's Attorney	5,361,229	5,409,763	5,501,487
06 General District Court	267,126	218,202	214,897
07 Juvenile & Domestic Relations Court	3,377,582	3,374,873	3,257,589
08 Electoral Board	1,116,152	1,396,097	1,348,019
09 County Manager	1,935,800	1,915,000	1,940,667
09 Public Relations and Media Services	1,827,287	1,863,174	1,895,196
10 County Attorney	1,966,860	2,006,181	2,031,459
11 Human Resources	11,498,814	8,852,921	8,503,598
12 Police	66,906,459	66,726,144	67,342,646
13 Fire	49,643,769	49,316,053	49,964,586
14 Finance	11,752,508	12,280,200	12,057,258
16 General Services	44,547,139	41,965,021	41,829,432
17 Internal Audit	398,405	376,385	387,370
18 Debt Service	56,070,508	51,832,472	54,854,043
19 Information Technology	9,961,969	12,079,730	12,464,369
21 Agriculture and Home Extension	323,917	350,106	351,596
22 Social Services	29,745,144	27,433,527	27,394,595
23 Recreation & Parks	16,958,475	17,927,269	18,559,223
24 Public Health	1,583,256	1,645,730	1,583,056
26 Mental Health & Developmental Services	30,193,394	32,014,819	32,442,571
27 Capital Region Workforce Consortium	6,224,963	4,471,854	4,959,921
28 Public Works	38,775,723	36,752,526	36,662,565
29 Real Property	560,622	572,006	576,838
30 Economic Development	15,750,772	12,472,202	12,474,686
31 Public Utilities	81,656,836	84,008,558	90,729,811
32 Non-Departmental	12,593,133	12,628,208	12,118,524
33 Building Inspections	4,031,662	4,330,403	4,273,187
34 Planning	3,912,301	4,072,703	3,893,506
35 Permit Centers	866,356	880,910	804,742
36 Community Corrections Program	1,725,754	1,732,867	1,815,156
37 Technology Replacement	2,618,612	3,035,008	2,329,230
38 Community Revitalization	4,762,061	1,576,211	1,534,445
40 James River Juvenile Detention Center	5,248,705	5,526,540	5,541,809
42 Healthcare	67,408,514	85,155,906	89,903,205
50 Education	457,000,322	458,057,353	465,102,128
60 Interdepartmental Billings	(71,281,139)	(84,250,164)	(86,446,256)
Total Expenditures	<u>\$1,030,013,610</u>	<u>\$1,023,173,782</u>	<u>\$1,043,731,594</u>

COUNTY OF HENRICO, VIRGINIA
APPROVED GENERAL FUND REVENUES
FY 2011-12

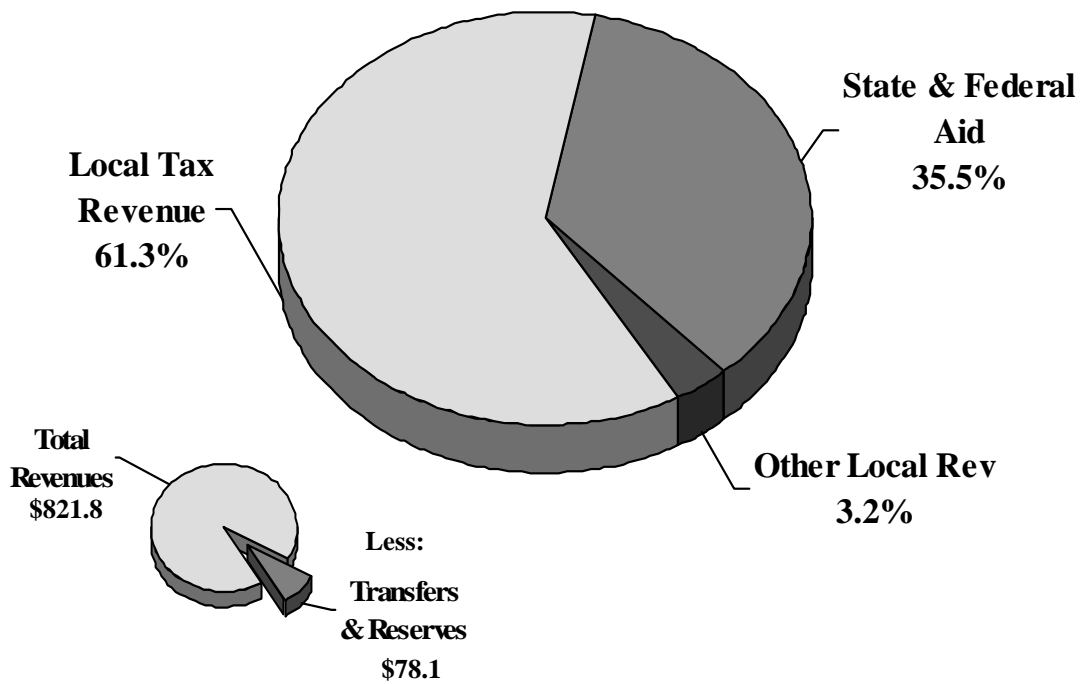
Revenues: Function/Program	FY 09-10 Actual	FY 10-11 Original	FY 11-12 Approved
Revenue from Local Sources:			
General Property Taxes	\$365,283,955	\$389,000,000	\$388,660,000
Other Local Taxes	117,979,425	114,015,000	114,755,000
Permits, Fees, & Licenses	3,018,100	3,239,200	3,345,200
Fines & Forfeitures	2,479,557	2,315,000	2,390,000
From Use of Money & Property	4,159,787	9,734,400	9,784,400
Charges for Services	4,096,269	3,554,200	3,748,700
Miscellaneous	5,282,453	2,872,800	2,857,800
Recovered Costs	4,428,682	4,043,700	4,278,870
Total from Local Sources	506,728,228	528,774,300	529,819,970
Revenue from the Commonwealth:			
Categorical Aid:			
Education	216,957,512	199,131,000	204,679,000
Public Works	29,543,547	28,745,000	28,745,000
Public Safety (HB #599)	8,524,731	7,250,000	7,350,000
Social Services	6,709,113	3,988,200	3,988,200
Other	4,579,493	4,845,500	4,052,500
Total Categorical Aid	266,314,396	243,959,700	248,814,700
Non-Categorical Aid:			
General Government	54,012,360	17,608,500	17,628,500
Total Non-Categorical Aid	54,012,360	17,608,500	17,628,500
Shared Expenses:			
State Share of Salaries & Benefits	15,678,418	13,768,800	14,828,800
Total from the Commonwealth	336,005,174	275,337,000	281,272,000
Revenue from the Federal Government	11,980,862	10,860,200	10,685,200
Total Revenues	854,714,264	814,971,500	821,777,170
Interfund Transfers:			
To Debt Service Fund	(50,070,508)	(49,832,472)	(52,854,043)
To Capital Projects Fund	(21,069,798)	(9,415,242)	(5,850,000)
To Enterprise Fund	(661,231)	(772,219)	(756,608)
To Risk Management	(9,277,368)	(4,364,026)	(4,369,790)
To Special Revenue Fund	(19,155,242)	(23,361,772)	(23,252,945)
To JRJDC Agency Fund	(3,286,700)	(3,281,789)	(3,281,089)
To OPEB-GASB 45 Fiduciary Fund	(6,000,000)	(3,000,000)	(3,000,000)
Total Transfers	(109,520,847)	(94,027,520)	(93,364,475)
(To) From Fund Balance	(12,224,069)	0	0
(To) From Fund Balance - Capital Projects	5,000,000	5,000,000	5,000,000
(To) From Fund Balance - Designated Capital Reserve	9,150,000	3,565,242	0
(To) Revenue Stabilization	0	0	0
From Revenue Stabilization	750,000	11,548,345	10,248,671
(To) Designated Fund Balance - State Revenues	0	0	0
Total Resources Net of Transfers	<u>\$747,869,348</u>	<u>\$741,057,567</u>	<u>\$743,661,366</u>

**COUNTY OF HENRICO, VIRGINIA
APPROVED GENERAL FUND EXPENDITURES
FY 2011-12**

Expenditures: Function/Activity	FY 09-10 Actual	FY 10-11 Original	FY 11-12 Approved
General Government Administration	\$52,245,240	\$55,916,358	\$55,759,533
Judicial Administration	8,019,900	7,975,999	8,049,983
Public Safety:			
Police Operations	58,727,401	59,048,533	59,586,285
Animal Protection	1,338,841	1,453,410	1,442,064
Communications	4,479,600	4,801,718	4,890,430
Total Police	64,545,842	65,303,661	65,918,779
Administration	6,497,387	7,612,700	7,618,076
Emergency Planning & Safety	273,468	288,227	256,316
Operations	42,472,129	41,196,501	41,871,569
Volunteer Rescue Squads	183,097	218,625	218,625
Total Fire	49,426,081	49,316,053	49,964,586
Sheriff	33,814,670	33,515,801	33,561,876
Juvenile Detention	2,037,852	2,109,876	2,102,621
Building Inspections	4,031,662	4,330,403	4,273,187
Total Public Safety	153,856,107	154,575,794	155,821,049
Public Works	38,622,632	35,855,526	35,765,565
Health & Social Services:			
Public Health	1,583,256	1,645,730	1,583,056
Social Services	22,516,647	18,464,062	18,597,813
Total Health & Social Services	24,099,903	20,109,792	20,180,869
Education:			
Instruction	327,321,400	317,962,948	321,022,965
Administrative Services	10,174,108	10,246,675	9,764,885
Operations	66,287,633	69,613,530	68,220,951
Finance	2,882,003	2,970,692	3,423,774
School Board & Superintendent	1,890,170	1,615,174	1,317,425
Total Education	408,555,314	402,409,019	403,750,000
Recreation, Parks, & Culture:			
Recreation & Parks	15,833,816	16,700,684	17,339,153
Library	14,726,112	15,634,256	15,917,916
Total Recreation, Parks, & Culture	30,559,928	32,334,940	33,257,069
Community Development	19,317,191	19,352,132	19,058,975
Miscellaneous:			
Non-Departmental	12,593,133	12,528,007	12,018,323
Total Miscellaneous	12,593,133	12,528,007	12,018,323
Total General Fund Expenditures	<u>\$747,869,348</u>	<u>\$741,057,567</u>	<u>\$743,661,366</u>

FY2011-12 General Fund Revenues

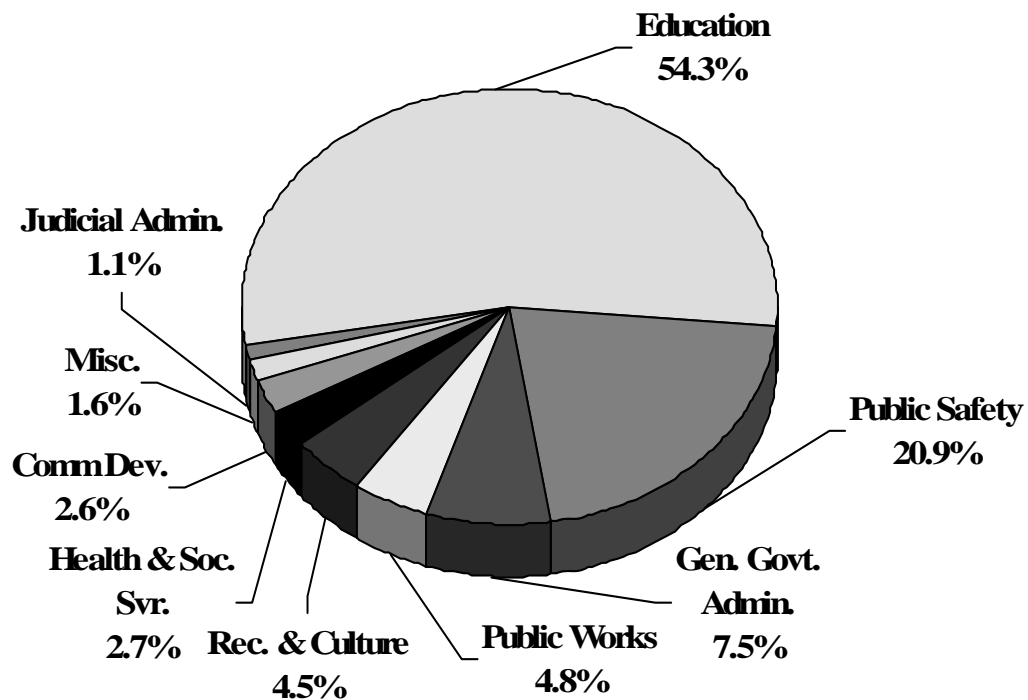
\$821,777,170



Note: General Fund Revenues less Transfers & Reserves equals General Fund Expenditures of \$743,661,366.

FY2011-12 General Fund Expenditures

\$743,661,366



COUNTY OF HENRICO, VIRGINIA
APPROVED SPECIAL REVENUE FUND REVENUES
FY 2011-12

Revenues: Subfund/Activity	FY 09-10 Actual	FY 10-11 Original	FY 11-12 Approved
Capital Region Workforce Consortium (CRWC)			
CRWC	\$2,143,834	\$4,261,206	\$4,742,226
City of Richmond WIA Fund	1,333,571	0	0
ARRA - CRWC	2,536,910	0	0
Transfer From the General Fund	210,648	210,648	217,695
Total Capital Region Workforce Consortium	6,224,963	4,471,854	4,959,921
Circuit Court Clerk	17,376	0	0
Commonwealth's Attorney			
Special Drug Prosecutor	119,439	124,305	119,400
Victim/Witness Assistance Program	352,580	342,625	342,625
Asset Forfeitures	4,422	0	0
Transfer From the General Fund	370,582	387,663	396,249
Total Commonwealth's Attorney	847,023	854,593	858,274
Community Corrections Program			
CCP	1,413,280	1,434,323	1,510,737
ARRA - CCP	17,418	0	0
Transfer From the General Fund	295,056	298,544	304,419
Total Community Corrections	1,725,754	1,732,867	1,815,156
Community Development Block Grant			
CDBG/HOME	2,548,319	0	0
ARRA - CDBG and Community Revitalization	706,897	0	0
Total Community Development Block Grant	3,255,216	0	0
Economic Development			
Sales Tax - EDA	1,420,776	0	0
Real Estate Tax - CDA	1,433,710	0	0
Special Assessment - CDA	182,500	0	0
Personal Property Tax - EDA	625,968	0	0
Business License Tax - EDA	390,815	0	0
Transfer to - Short Pump CDA	0	0	0
(To) From Economic Development Fund Balance	(1,010,769)	0	0
Total Economic Development	3,043,000	0	0
Education			
State, Federal & Other Grants	29,952,015	37,394,518	42,857,611
ARRA - Schools	1,826,983	0	0

Special Revenue Fund Revenues (cont'd)

Revenues: Subfund/Activity	FY 09-10 Actual	FY 10-11 Original	FY 11-12 Approved
Cafeteria Receipts	8,854,628	9,732,983	9,987,040
State Food Payments - Nat. Sch. Lunch Prog.	338,721	366,410	432,535
Federal School Lunch Program	6,447,067	8,538,892	8,549,997
Federal School Breakfast Program	1,839,966	0	0
Recoveries & Rebates	135,332	46,990	124,945
(To) From Cafeteria Fund Balance	(949,704)	(431,459)	(600,000)
Total School Cafeteria	<u>16,666,010</u>	<u>18,253,816</u>	<u>18,494,517</u>
Total Education	48,445,008	55,648,334	61,352,128
 General Services	 38,408	 0	 0
 Juvenile & Domestic Relations Court	 	 	
Virginia Juvenile Community Crime Act	483,083	409,027	338,848
USDA	30,655	30,429	27,500
Juvenile Accountability Grant	45,702	0	0
Transfer From the General Fund	482,486	543,363	546,544
Total Juvenile & Domestic Relations Court	<u>1,041,926</u>	<u>982,819</u>	<u>912,892</u>
 Mental Health & Developmental Services	 	 	
State and Federal Grants	8,737,037	7,924,548	8,231,387
Payments from Other Localities	208,305	187,474	208,305
Miscellaneous Revenues	8,957,312	9,330,127	9,568,524
Transfer From General Fund	12,074,954	14,572,670	14,434,355
ARRA - MH & DS	215,786	0	0
Total Mental Health	<u>30,193,394</u>	<u>32,014,819</u>	<u>32,442,571</u>
 Non-Departmental	 	 	
Transfer From General Fund	0	100,201	100,201
 Public Safety	 	 	
Police - State & Federal Grants	1,580,450	960,796	962,180
Police - ARRA	210,385	0	0
Police - Donations	4,652	0	0
Metro Aviation/Extradition Reimbursement	264,086	326,126	326,126
Fire - Local Miscellaneous	24,166	0	0
Fire - State	44,575	0	0
Fire - Homeland Security	148,947	0	0
Asset Forfeitures	203,599	0	0
Transfer to Capital Projects	(253,700)	0	0
Transfer from Special Revenue Fund - Wireless Fund Balance	253,700	0	0
Transfer From General Fund	97,445	135,561	135,561
Total Public Safety	<u>2,578,305</u>	<u>1,422,483</u>	<u>1,423,867</u>

Special Revenue Fund Revenues (cont'd)

Revenues:	FY 09-10	FY 10-11	FY 11-12
Subfund/Activity	Actual	Original	Approved
Public Utilities			
Solid Waste:			
Refuse Collection Billing	6,801,113	6,660,000	7,000,000
Weighing Fees - Charged Sales	1,117,549	1,371,845	1,117,548
Public Use/Host/Recycle Fees	1,895,695	1,670,840	1,712,381
Miscellaneous Revenues	1,878,043	153,016	293,823
Transfer to Capital Projects Fund	(3,600,000)	0	(1,450,000)
Transfer From General Fund	2,873,641	3,064,001	3,064,001
(To) From Solid Waste Fund Balance	(8,981)	(753,090)	529,349
Total Solid Waste	<u>10,957,060</u>	<u>12,166,612</u>	<u>12,267,102</u>
Street Lighting:			
Charge for Street Lights	66,179	72,500	72,500
(To) From Reserve for Street Lights	<u>0</u>	<u>0</u>	<u>0</u>
Total Street Lighting	<u>66,179</u>	<u>72,500</u>	<u>72,500</u>
Public Works			
Best Management Practices	0	50,000	50,000
Watershed Management Program	153,091	847,000	847,000
Miscellaneous Grants	<u>0</u>	<u>0</u>	<u>0</u>
Total Public Works	<u>153,091</u>	<u>897,000</u>	<u>897,000</u>
Recreation, Parks & Culture			
Recreation	5,778	0	0
Public Library	<u>61,278</u>	<u>0</u>	<u>0</u>
Total Recreation	<u>67,056</u>	<u>0</u>	<u>0</u>
Social Services			
Comprehensive Services Act (CSA)	4,487,967	4,875,532	4,698,050
Title IV-E	0	44,812	44,812
Transfer From the General Fund	<u>2,740,530</u>	<u>4,049,121</u>	<u>4,053,920</u>
Total Social Services	<u>7,228,497</u>	<u>8,969,465</u>	<u>8,796,782</u>
Total Revenues	<u><u>\$115,882,256</u></u>	<u><u>\$119,333,547</u></u>	<u><u>\$125,898,394</u></u>

COUNTY OF HENRICO, VIRGINIA
APPROVED SPECIAL REVENUE FUND EXPENDITURES
FY 2011-12

Expenditures:	FY 09-10	FY 10-11	FY 11-12
Subfund/Activity	Actual	Original	Approved
Capital Region Workforce Consortium (CRWC)	\$2,354,482	\$4,471,854	\$4,959,921
City of Richmond WIA Fund	1,333,571	0	0
ARRA - CRWC	2,536,910	0	0
Total CRWC	\$6,224,963	\$4,471,854	\$4,959,921
 Circuit Court Clerk	 \$17,376	 \$0	 \$0
 Commonwealth's Attorney			
Victim/Witness Program	660,998	677,433	669,311
Special Drug Prosecutor	181,603	177,160	188,963
Asset Forfeitures - Commonwealth's Attorney	4,422	0	0
Total Commonwealth's Attorney	847,023	854,593	858,274
 Community Corrections Program	1,708,336	1,732,867	1,815,156
ARRA - CCP	17,418	0	0
Total Community Corrections Program	1,725,754	1,732,867	1,815,156
 Community Revitalization - CDBG/HOME	2,548,319	0	0
ARRA - CDBG and Community Revitalization	706,897	0	0
Total CDBG/HOME	3,255,216	0	0
 Economic Development			
White Oak Village CDA	2,736,000	0	0
Reynolds Crossing CDA	307,000	0	0
Total Economic Development	3,043,000	0	0
 Education			
State, Federal & Other Grants	29,952,015	37,394,518	42,857,611
ARRA - Education	1,826,983	0	0
School Cafeterias	16,666,010	18,253,816	18,494,517
Total Education	48,445,008	55,648,334	61,352,128
 General Services	38,408	0	0
 Juvenile & Domestic Relations Court			
Probation - VJCCCA	637,673	617,331	550,941
Detention - VJCCCA	327,896	335,059	334,451
Juvenile Probation	45,702	0	0
USDA	30,655	30,429	27,500
Total Juvenile & Domestic Relations Court	1,041,926	982,819	912,892

Special Revenue Fund Expenditures (cont'd)

Expenditures: Subfund/Activity	FY 09-10 Actual	FY 10-11 Original	FY 11-12 Approved
Mental Health & Developmental Services			
Clinical Services	14,702,816	15,806,273	16,030,348
Community Support Services	9,279,771	9,709,926	9,902,729
Administrative and Program Support	5,995,021	6,498,620	6,509,494
ARRA - Mental Health	215,786	0	0
Total Mental Health	30,193,394	32,014,819	32,442,571
Non-Departmental	0	100,201	100,201
Public Safety			
State and Federal Grants - Police	913,962	0	0
ARRA - Police	210,385	0	0
Donations - Police	4,652	0	0
Communications	666,488	960,796	962,180
Metro Aviation	293,166	411,687	411,687
Henrico Extraditions	68,365	50,000	50,000
Asset Forfeitures - Police	203,599	0	0
State and Federal Grants - Fire	44,575	0	0
Donations - Fire	24,166	0	0
Homeland Security - Fire	148,947	0	0
Total Public Safety	2,578,305	1,422,483	1,423,867
Public Utilities			
Solid Waste	10,957,060	12,166,612	12,267,102
Street Lighting	66,179	72,500	72,500
Total Public Utilities	11,023,239	12,239,112	12,339,602
Public Works			
Best Management Practices	0	50,000	50,000
Watershed Program	153,091	847,000	847,000
Total Public Works	153,091	897,000	897,000
Recreation, Parks & Culture			
Recreation & Parks	5,778	0	0
Public Library	61,278	0	0
Total Recreation, Parks, & Culture	67,056	0	0
Social Services			
Comprehensive Services Act (CSA)	7,228,497	8,969,465	8,796,782
Total Expenditures	<u>\$115,882,256</u>	<u>\$119,333,547</u>	<u>\$125,898,394</u>

COUNTY OF HENRICO, VIRGINIA
APPROVED REVENUES & EXPENDITURES - WATER & SEWER ENTERPRISE FUND
FY 2011-12

Water and Sewer Enterprise Fund

Revenues/Resources	FY 09-10 Actual	FY 10-11 Original	FY 11-12 Approved
<u>Water and Sewer Operating Budget:</u>			
Sale of Water	40,257,116	41,852,811	44,258,630
Sale of Sewer	39,414,659	42,453,050	43,579,501
Water Connection Fees	3,420,228	1,706,880	2,216,550
Sewer Connection Fees	2,977,783	3,941,635	4,076,998
Interest Earnings	534,154	1,164,090	917,073
Strong Waste Surcharge	1,354,362	1,485,000	1,385,000
Other Water/Sewer revenues	5,241,107	1,543,700	1,567,807
Transfer from General Fund	661,231	772,219	756,608
Total Operating Revenues	93,860,640	94,919,385	98,758,167
Operating Expenditures			
<u>Water and Sewer Operating Budget:</u>			
Personnel	19,246,442	19,516,872	19,760,885
Operating	34,936,809	36,663,397	37,452,511
Capital Outlay	578,170	805,674	785,527
Sub-Total Operating	54,761,421	56,985,943	57,998,923
Debt Service	15,872,176	14,783,503	20,391,286
Total Operating Expenditures	70,633,597	71,769,446	78,390,209
Results of Operations (Prior to Capital Expenses)	23,227,043	23,149,939	20,367,958
Budget For Capital Use (Below)	n/a	(36,629,912)	(100,827,965)
Capital Budget Expenditures	FY09-10 Actual	FY10-11 Original	FY11-12 Approved
Approved Capital Projects (FY2010-11 Budget)		36,629,912	
Approved Capital Projects (New FY2011-12 Budget)			100,827,965
Continuing Capital Projects (Previously Approved) (1)	41,921,379	19,148,260	
Total Capital Budget Expenses:	41,921,379	55,778,172	100,827,965
Capital Budget Resources			
Water and Sewer Revenues	26,259,220	35,079,129	100,827,965
Revenue Bonds (2006 Series)	15,631,906	10,629,296	
ARRA - Federal Stimulus Funds	30,253	10,069,747	
Total Capital Budget Resources:	41,921,379	55,778,172	100,827,965
Fund Equity (Unreserved) (2)	83,058,432	48,758,310	70,805,408

Notes:

(1) This number plus the budget figure reflects Utilities estimate of capital spending from previously Board approved capital projects. FY2009-10 represents actual spending, as per the 2010 audit.

(2) FY10 Fund Equity represents actual unreserved equity, as per 2010 audit. FY2010-11 and FY2011-12 unreserved fund equity is based on current cash flow model prepared by the Department. Totals from above do not equal fund equity, as there is also a reserved component that cannot be calculated annually.

COUNTY OF HENRICO, VIRGINIA
APPROVED REVENUES & EXPENDITURES - BELMONT GOLF COURSE ENTERPRISE FUND
FY 2011-12

Fund-Function/Activity	FY 09-10 Actual	FY 10-11 Original	FY 11-12 Approved
Belmont Golf Course Fund			
Revenues:			
Operating	935,726	1,226,585	1,220,070
Transfer from General Fund	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	935,726	1,226,585	1,220,070
(To) From Retained Earnings	<u>183,155</u>	<u>0</u>	<u>0</u>
Total Resources	1,118,881	1,226,585	1,220,070
Expenses:			
Loan Repayment to County	0	22,500	22,500
Operating	<u>1,118,881</u>	<u>1,204,085</u>	<u>1,197,570</u>
Total Operating Expenses	\$1,118,881	\$1,226,585	\$1,220,070

**COUNTY OF HENRICO, VIRGINIA
ALL OTHER FUNDS
FY 2011-12**

Fund-Function/Activity	FY 09-10 Actual	FY 10-11 Original	FY 11-12 Approved
Internal Service Funds			
Central Automotive Maintenance			
Revenues:			
Charges for Automotive Maintenance - West	\$6,444,644	\$5,600,000	\$6,000,000
Charges for Automotive Maintenance - East	1,517,028	1,420,000	1,420,000
Charges for Use of Motor Pool	5,015,069	4,300,000	4,123,235
Charges for Gasoline	5,251,472	8,934,772	8,589,596
Miscellaneous	316,776	247,500	247,500
(Gain)/Loss on Sale of Property	(136,950)	0	0
(To) From Retained Earnings - CAM	(337,788)	0	0
Transfer to Capital Projects	(590,600)	0	0
Transfer from General Fund	0	0	0
Total Revenues	\$17,479,651	\$20,502,272	\$20,380,331
Expenses:			
Central Automotive Maintenance	\$17,479,651	\$20,502,272	\$20,380,331
Total Expenses	\$17,479,651	\$20,502,272	\$20,380,331
Technology Replacement Fund			
Revenues:			
Technology Replacement Charges	\$2,593,923	\$2,026,475	\$1,759,995
Technology Replacement Charges-Special Revenue	74,487	59,590	44,692
Technology Replacement Charges-Belmont	4,870	3,896	2,922
Technology Replacement Charges-JRJDC	3,430	2,744	2,058
Technology Replacement Charges-Risk	3,734	2,987	2,240
(To) From Retained Earnings - Technology	(61,832)	939,316	517,323
Total Revenues	\$2,618,612	\$3,035,008	\$2,329,230
Expenses:			
Data Processing Equipment	\$2,618,612	\$3,035,008	\$2,329,230
Total Expenses	\$2,618,612	\$3,035,008	\$2,329,230

All Other Funds (cont'd)

Fund-Function/Activity	FY 09-10 Actual	FY 10-11 Original	FY 11-12 Approved
Risk Management			
Revenues:			
Transfer from General Fund	\$9,277,368	\$4,364,026	\$4,369,790
Public Utilities Charges	839,157	620,577	629,403
Recon-Workers' Compensation	437,415	0	0
Prop/Liability Recovery	392,986	0	0
A/R-S1 P/L Subrogation	11,622	0	0
Interest Income	6,129	0	0
Total Revenues	\$10,964,677	\$4,984,603	\$4,999,193
Expenses:			
Risk Management	\$10,964,677	\$4,984,603	\$4,999,193
Total Expenses	\$10,964,677	\$4,984,603	\$4,999,193
Healthcare Fund			
Revenues:			
County Contribution	\$50,426,813	\$59,870,318	\$62,860,858
Employee Contribution	14,248,828	15,277,730	15,850,645
Retiree Contribution	4,933,916	5,735,340	5,950,415
Retiree Subsidy	597,254	562,134	606,967
Disabled Subsidy	158,809	280,432	268,870
COBRA	192,521	279,952	290,450
Other Revenues	77,973	150,000	75,000
Fund Balance (Includes IBNR)	(3,227,600)	3,000,000	4,000,000
Total Revenues	\$67,408,514	\$85,155,906	\$89,903,205
Expenses:			
Healthcare	\$67,408,514	\$85,155,906	\$89,903,205
Total Expenses	\$67,408,514	\$85,155,906	\$89,903,205
Debt Service Fund			
Revenues:			
Transfer from General Fund	\$50,070,508	\$49,832,472	\$52,854,043
(To) From Fund Balance	2,000,000	2,000,000	2,000,000
Transfer to Capital Projects Fund	4,000,000	0	0
Total Revenues	\$56,070,508	\$51,832,472	\$54,854,043
Expenditures:			
Debt Service - General Government	\$13,454,649	\$11,719,316	\$14,375,844
Debt Service - Public Works	3,718,100	3,590,382	2,954,631
Debt Service - Education	38,897,759	36,522,774	37,523,568
Total Expenditures	\$56,070,508	\$51,832,472	\$54,854,043
Adjustment for Interfund Transactions	(\$71,281,139)	(\$84,250,164)	(\$86,446,256)

COUNTY OF HENRICO, VIRGINIA
REVENUES & EXPENDITURES - AGENCY FUNDS
FY 2011-12

<u>Fund-Function/Activity</u>	<u>FY 09-10 Actual</u>	<u>FY 10-11 Original</u>	<u>FY 11-12 Approved</u>
JRJDC Agency Fund			
Revenues:			
Transfer from General Fund	\$3,286,700	\$3,281,789	\$3,281,089
Revenue from Federal Government	103,570	0	0
Revenue from the Commonwealth	1,432,612	1,412,270	1,412,270
Revenue from Goochland/Powhatan	445,768	403,312	403,312
Gain/Loss Sale of Assets	0	0	0
Revenue from Other Localities	0	0	0
Interest Income	23,525	0	0
(To) From Fund Balance-JRJDC	(43,470)	429,169	445,138
Total Revenues	<u><u>\$5,248,705</u></u>	<u><u>\$5,526,540</u></u>	<u><u>\$5,541,809</u></u>
Expenses:			
Operating	\$4,574,206	\$4,851,230	\$4,867,199
Debt Service	674,499	675,310	674,610
Total Expenses	<u><u>\$5,248,705</u></u>	<u><u>\$5,526,540</u></u>	<u><u>\$5,541,809</u></u>
Other Post Employment Benefits - GASB 45			
Revenues:			
Transfer from General Fund	\$6,000,000	\$3,000,000	\$3,000,000
Total Revenues	<u><u>\$6,000,000</u></u>	<u><u>\$3,000,000</u></u>	<u><u>\$3,000,000</u></u>
Expenses:			
Operating	\$6,000,000	\$3,000,000	\$3,000,000
Total Expenses	<u><u>\$6,000,000</u></u>	<u><u>\$3,000,000</u></u>	<u><u>\$3,000,000</u></u>

COUNTY OF HENRICO, VIRGINIA
TOTAL REVENUES (BY SOURCE) - ACROSS ALL FUNDS
FY 2011-12

	General Fund	Special Revenue Fund	Water & Sewer Enterprise Fund	Belmont Golf Enterprise Fund	Debt Service Fund	Internal Service Funds	Agency Funds	Total All Funds
Revenue from Local Sources:								
General Property Taxes	\$388,660,000	\$0	\$0	\$0	\$0	\$0	\$0	\$388,660,000
Other Local Taxes	\$114,755,000	0	0	0	0	0	0	114,755,000
Permits, Fees, and Licenses	\$3,345,200	1,002,577	0	0	0	0	0	4,347,777
Fines and Forfeitures	\$2,390,000	266,136	132,613	0	0	0	0	2,788,749
Use of Money and Property	\$9,784,400	147,517	0	0	0	285,000	0	10,216,917
Charges for Services	\$3,748,700	29,041,300	94,549,920	1,220,070	0	0	0	128,559,990
Recovered Costs	\$4,278,870	534,431	0	0	0	106,590,439	0	111,403,740
Shared Expenses	\$0	0	0	0	0	0	403,312	403,312
Miscellaneous	\$2,857,800	1,530,088	3,319,026	0	0	1,849,407	0	9,556,321
Total from Local Sources	\$29,819,970	\$32,522,049	\$98,001,559	\$1,220,070	0	\$108,724,846	\$403,312	\$770,691,806
Revenue from the Commonwealth:								
Non-categorical Aid	17,628,500	153,587	0	0	0	0	0	17,782,087
Shared Expenses	14,828,800	0	0	0	0	0	1,412,270	16,241,070
Categorical Aid	248,814,700	24,205,134	0	0	0	0	0	273,019,834
Total from the Commonwealth	281,272,000	24,358,721	0	0	0	0	1,412,270	307,042,991
Revenue from the Federal Government:								
Categorical Aid	10,685,200	47,285,330	0	0	0	0	0	57,970,530
Total from the Federal Government	10,685,200	47,285,330	0	0	0	0	0	57,970,530
Total Revenues	\$821,777,170	\$104,166,100	\$98,001,559	\$1,220,070	\$0	\$108,724,846	\$1,815,582	\$1,135,705,327
Operating Transfers	(87,514,475)	23,252,945	756,608	0	52,854,043	(82,076,466)	6,281,089	(86,446,256)
Transfers to Capital Projects	(5,850,000)	(1,450,000)	0	0	0	0	0	(7,300,000)
Total Resources	\$728,412,695	\$125,969,045	\$98,758,167	\$1,220,070	\$52,854,043	\$26,648,380	\$8,096,671	\$1,041,959,071
(To) From Fund Balance	5,000,000	(70,651)	(20,367,958)	0	2,000,000	4,517,323	445,138	(8,476,148)
(To) From Fund Balance - Designated Cap	0	0	0	0	0	0	0	0
(To) From Revenue Stabilization	10,248,671	0	0	0	0	0	0	10,248,671
(To) Designated Fund Balance - State Rev	0	0	0	0	0	0	0	0
Total All Funds	\$743,661,366	\$125,898,394	\$78,390,209	\$1,220,070	\$54,854,043	\$31,165,703	\$8,541,809	\$1,043,731,594

COUNTY OF HENRICO, VIRGINIA
TOTAL EXPENDITURES BY DEPARTMENT - ACROSS ALL FUNDS
FY 2011-12

Department	General Fund	Special Revenue Fund	Water & Sewer Enterprise Fund	Belmont Golf Enterprise Fund	Debt Service Fund	Internal Service Funds	Agency Funds	Total All Funds
01 Board of Supervisors	\$1,104,851							\$1,104,851
02 Library	15,917,916							15,917,916
03 Sheriff	33,561,876							33,561,876
04 Circuit Court	2,949,797							2,949,797
05 Commonwealth's Attorney	4,643,213	\$858,274						5,501,487
06 General District Court	214,897							214,897
07 Juvenile & Domestic Relations Court	2,344,697	912,892						3,257,589
08 Electoral Board	1,348,019							1,348,019
09 County Manager	3,835,863							3,835,863
10 County Attorney	2,031,459							2,031,459
11 Human Resources	5,503,598						\$3,000,000	8,503,598
12 Public Safety - Police	65,918,779	1,423,867						67,342,646
13 Public Safety - Fire	49,964,586							49,964,586
14 Finance	12,057,258							12,057,258
16 General Services	16,449,908					\$25,379,524		41,829,432
17 Internal Audit	387,370							387,370
18 Debt Service					\$17,330,475			17,330,475
19 Information Technology	12,464,369							12,464,369
21 Agriculture and Home Extension	351,596							351,596
22 Social Services	18,597,813	8,796,782						27,394,595
23 Recreation & Parks	17,339,153				\$1,220,070			18,559,223
24 Public Health	1,583,056							1,583,056
26 Mental Health & Developmental Services		32,442,571						32,442,571
27 Capital Region Workforce Consortium		4,959,921						4,959,921
28 Public Works	35,765,565	897,000						36,662,565
29 Real Property	576,838							576,838
30 Economic Development	12,474,686							12,474,686
31 Public Utilities			\$78,390,209					90,729,811
32 Non-Departmental	12,018,323	100,201						12,118,524
33 Building Inspections	4,273,187							4,273,187
34 Planning	3,893,506							3,893,506
35 Permit Centers	804,742							804,742
36 Community Corrections Program		1,815,156						1,815,156
37 Technology Replacement						2,329,230		2,329,230
38 Community Revitalization	1,534,445							1,534,445
40 James River Juvenile Detention Ctr							5,541,809	5,541,809
42 Healthcare						89,903,205		89,903,205
50 Education	403,750,000	61,352,128			37,523,568			502,625,696
60 Interdepartmental Billings						(86,446,256)		(86,446,256)
Total Expenditures	\$743,661,366	\$125,898,394	\$78,390,209	\$1,220,070	\$54,854,043	\$31,165,703	\$8,541,809	\$1,043,731,594

Estimated Changes to Undesignated Fund Balances
FY2010 Actual through FY2012 Projected (By Fund)

	<u>Revenues</u>	<u>Expenditures/ Transfers</u>	<u>Fund Balance</u>
GENERAL FUND			
Undesignated Fund Balance - FY2010 Actual			\$ 136,771,366
FY2011 Budgeted Revenues	814,971,500		
FY2011 Budgeted Expenditures		(741,057,567)	
FY2011 Budgeted Transfers to Other Funds		(73,913,933)	
FY2011 Use of Undesignated Fund Balance-PAYG Capital Projects		(5,000,000)	
FY2011 Anticipated Results of Operations			1,618,996
FY2011 Projected Use of Fund Balance-PAYG Capital Projects			(5,000,000)
Projected Ending Undesignated Fund Balance FY2011			<u>133,390,362</u>
FY2012 Budgeted Revenues	821,777,170		
FY2012 Budgeted Expenditures		(743,661,366)	
FY2012 Budgeted Transfers to Other Funds		(78,115,804)	
FY2012 Use of Undesignated Fund Balance-PAYG Capital Projects		(5,000,000)	
FY2012 Anticipated Results of Operations			5,468,684
FY2012 Projected Use of Fund Balance-PAYG Capital Projects			(5,000,000)
Projected Ending Undesignated Fund Balance FY2012			<u>133,859,046</u>
SPECIAL REVENUE FUND			
Undesignated Fund Balance - FY2010 Actual			0
FY2011 Budgeted Revenues	120,518,096		
FY2011 Budgeted Use of Reserves (net)	(1,184,549)		
FY2011 Budgeted Total Resources	<u>119,333,547</u>		
FY2011 Budgeted Expenditures		<u>(119,333,547)</u>	
FY2011 Projected Use of Undesignated Fund Balance			0
Projected Ending Undesignated Fund Balance FY2011			<u>0</u>
FY2012 Budgeted Revenues	127,419,045		
FY2012 Budgeted Use of Reserves (net)	(1,520,651)		
FY2012 Budgeted Total Resources	<u>125,898,394</u>		
FY2012 Budgeted Expenditures		<u>(125,898,394)</u>	
FY2012 Projected Use of Undesignated Fund Balance			0
Projected Ending Undesignated Fund Balance FY2012			<u>0</u>
INTERNAL SERVICE FUNDS			
Unreserved Retained Earnings - FY2010 Actual			\$ 33,443,870
FY2011 Budgeted Revenues	112,738,473		
FY2011 Budgeted Expenditures		(113,677,789)	
FY2011 Projected Use of Retained Earnings			(939,316)
Projected Ending Unreserved Retained Earnings FY2011			<u>32,504,554</u>
FY2012 Budgeted Revenues	117,094,636		
FY2012 Budgeted Expenditures		(117,611,959)	
FY2012 Projected Use of Retained Earnings			(517,323)
Projected Ending Unreserved Retained Earnings FY2012			<u>31,987,231</u>

Estimated Changes to Undesignated Fund Balances
FY2010 Actual through FY2012 Projected (By Fund)

	<u>Revenues</u>	<u>Expenditures/ Transfers</u>	<u>Fund Balance</u>
<i>WATER & SEWER ENTERPRISE FUND</i>			
Unreserved Fund Equity - FY2010 Actual			83,058,432
FY2011 Budgeted Revenues	94,919,385		
FY2011 Budgeted Expenditures		(71,769,446)	
FY2011 Budgeted for Capital Use		(36,629,912)	
FY2011 Budgeted Expenditures and Transfers		<u>(108,399,358)</u>	
FY2011 Projected Change to Unreserved Fund Equity			(13,479,973)
Projected Unreserved Fund Equity FY2011			<u>69,578,459</u>
FY2012 Budgeted Revenues	98,758,167		
FY2012 Budgeted Expenditures		(78,390,209)	
FY2012 Budgeted for Capital Use		(100,827,865)	
FY2012 Budgeted Expenditures and Transfers		<u>(179,218,074)</u>	
FY2012 Projected Change to Unreserved Fund Equity			1,226,949
Projected Unreserved Fund Equity FY2012			<u>70,805,408</u>
<i>JR/JDC AGENCY FUND</i>			
Unreserved Retained Earnings - FY2010 Actual			\$ 2,842,317
FY2011 Budgeted Revenues	5,097,371		
FY2011 Budgeted Expenditures		(5,526,540)	
FY2011 Budgeted Use of Unreserved Retained Earnings			(429,169)
Projected Ending Unreserved Retained Earnings FY2011			<u>2,413,148</u>
FY2012 Budgeted Revenues	5,096,671		
FY2012 Budgeted Expenditures		(5,541,809)	
FY2012 Budgeted Use of Unreserved Retained Earnings			(445,138)
Projected Ending Unreserved Retained Earnings FY2012			<u>1,968,010</u>

THREE YEAR FORECAST OF REVENUES AND EXPENDITURES

Background

The Henrico County budget is organized on the basis of funds. Each fund is considered a separate accounting entity. Accounting for the operation of each fund is performed using a separate set of self-balancing accounts comprising each fund's assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate.

Funds are grouped into three categories: Governmental Funds, Proprietary Funds, and Fiduciary Funds. Governmental Funds include most governmental functions of the County and include the General, Special Revenue, Debt Service and Capital Projects Funds. Proprietary Funds, on the other hand, account for functions financed and operated in a manner similar to a private business enterprise. The intent of Proprietary Funds is to finance or recover, through charges to users, the cost of providing these services. Proprietary Funds used by Henrico County include both the Enterprise (Public Utilities and Belmont Golf Course) and Internal Service Funds such as Central Automotive Maintenance (CAM). Other Internal Service funds are the Technology Replacement Fund established in 2001 for the purpose of funding a computer replacement program. In FY2005, the Risk Management function was moved to the Internal Service Fund series for more appropriate classification. In FY2007-08, the County's health care program transitioned to a self-insurance program and the Healthcare Internal Service Fund was created to account for these costs. Fiduciary Funds budgeted by Henrico County are for the James River Juvenile Detention Center (JRJDC) Agency Fund. As the fiscal agent for JRJDC, Henrico eliminates the need for the Commission to duplicate various administrative functions related to personnel, procurement, accounting, and budget responsibilities.

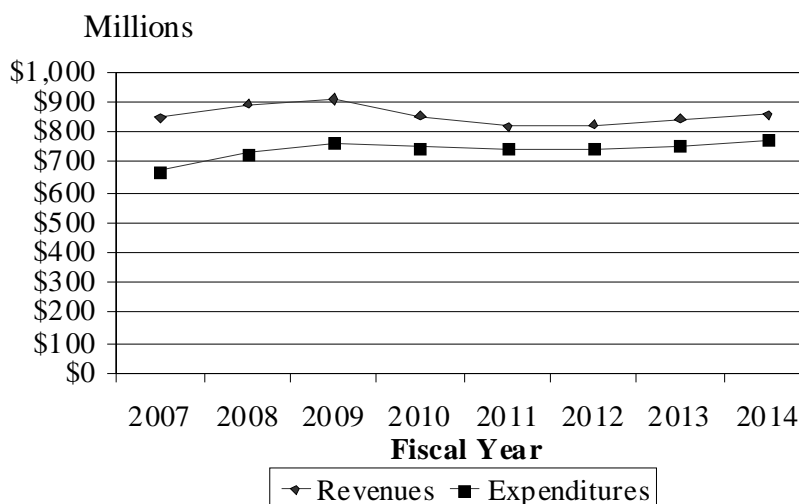
The information that follows constitutes the forecast of the County's cost of operations for FY2012 through FY2014. The FY2012 data represents the budget adopted by the Board of Supervisors, while FY2013 and FY2014 are included for projective purposes. This data is presented by fund and includes a description of major revenue and expenditure assumptions used to develop each forecast. Henrico County has opted to project revenues and expenses of each fund, as opposed to simply projecting the County's General Fund requirements. The actual forecasts, showing the relationship between revenues and expenditures and the predicted effects on fund balance, are presented in a schedule at the end of the narrative.

The revenue and expenditure forecasts for each fund are formulated using a combination of statistical forecasting techniques, regional economic data, and local government operating experience. Preliminary estimates for the subsequent fiscal year are initiated in August of each year, using a variety of forecasting models.

In the late fall, the County's annual financial audit is finalized. The previous year's revenue and expenditure forecasts are compared against audited financial statements to determine if revenue model refinements are necessary. At that point, refined forecasts are prepared for the upcoming fiscal year.

Revised estimates are analyzed against a variety of forecasted economic data with special emphasis on: consumer and wholesale prices, local population, retail sales, building and construction activity, employment, wages, interest rates, and Federal/State funding to ensure the forecast is consistent with future economic expectations. Continuing refinements are made until the budget is adopted by the Board of Supervisors annually.

Three Year Forecast Revenues and Expenditures General Fund



Fiscal Years 2011 through 2014 are estimated. Revenues depicted are prior to transfers to other funds.

GENERAL FUND

(Fund 01)

The General Fund reflects all revenues and expenditures of the County not required to be accounted for in another fund. Local revenues are primarily derived from Real and Personal Property Taxes, Business License Taxes, Local Sales Tax, Charges for Services, and Use of Money and Property. Revenues are received from the State for educational purposes, public safety, constitutional officers, and road maintenance. Revenues from the Federal Government are largely for social services and education.

Major expenditures include the cost of general government services such as education, public safety, streets and roadways, health and social services, recreation and libraries, and transfers to other funds, primarily to fund the County's debt service requirements and capital projects.

Revenues

Assumptions

Total estimated General Fund revenue for FY2012, prior to transfers to other funds, is \$821,777,170. This is an increase of \$6,805,670, or 0.84 percent above the FY2011 estimates. General Fund revenues for the County of Henrico are categorized into three broad categories: Local Tax Revenue, Other Local Revenue, and State and Federal Revenue. The table below summarizes General Fund revenue by category. Following is a brief discussion of the revenue components in each of these categories, including graphs depicting the historical trends of these revenue sources as compared with future projections.

Local Tax Revenue:

Description	FY 2010 Actual	FY 2011 Original	FY 2012 Approved	Increase (Decrease)
Local Tax Revenue	\$ 483,263,380	\$ 503,015,000	\$ 503,415,000	\$ 400,000
Other Local Revenue	23,464,848	25,759,300	26,404,970	645,670
State and Federal Revenue	347,986,036	286,197,200	291,957,200	5,760,000
Total General Fund Revenue	\$ 854,714,264	\$ 814,971,500	\$ 821,777,170	\$ 6,805,670

Local Tax Revenue represents Henrico County's principal source of revenue. County tax revenue is projected to total \$503.4 million or 61.3 percent of total General Fund revenue for FY2012. This is an increase of 0.08 percent, or \$400,000 over the current fiscal year. Local Tax Revenue includes:

Local Tax Revenue	FY 2011 Original	FY 2012 Approved	Increase (Decrease)	Percent Change	Pct. Of Revenue
Real Property Tax	\$ 283,190,000	\$ 280,700,000	\$ (2,490,000)	(0.9%)	55.8%
Personal Property Tax	102,730,000	103,930,000	1,200,000	1.2%	20.6%
Other Property Taxes	3,080,000	4,030,000	950,000	30.8%	0.8%
Local Sales Tax	54,500,000	56,050,000	1,550,000	2.8%	11.1%
Business License Tax	30,600,000	29,850,000	(750,000)	(2.5%)	5.9%
Motor Vehicle License Tax	6,325,000	6,325,000	0	0.0%	1.3%
Consumer Utility Tax (*)	2,600,000	2,600,000	0	0.0%	0.5%
Hotel/Motel Tax	9,200,000	9,200,000	0	0.0%	1.8%
Bank Franchise Tax	5,000,000	5,000,000	0	0.0%	1.0%
Other Local Taxes	5,790,000	5,730,000	(60,000)	(1.0%)	1.1%
Total Local Tax Revenue	\$ 503,015,000	\$ 503,415,000	\$ 400,000	0.1%	100.0%

*Electric Only

The majority, 76.4 percent, of the \$503.4 million in Local Tax revenues is derived from Real and Personal Property Tax revenues (including delinquent collections), which are estimated to generate approximately \$384.6 million or 46.8 percent of total General Fund revenue. Local Sales Tax revenue increased \$1,550,000, or 2.8 percent in FY2012 and makes up 11.1 percent of Local Tax revenue. Business & Professional License (BPOL) Tax revenue is projected to decrease by \$750,000 in FY2012. The County's BPOL taxpayers are exempt from paying taxes on the first \$100,000 in gross receipts and all payers pay BPOL taxes at the maximum tax rate of \$0.20/\$100 after the first \$100,000 of gross receipts.

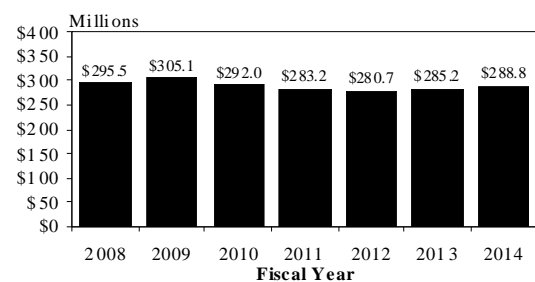
The Motor Vehicle License Tax revenue is projected to remain steady at \$6.3 million in FY2012. The Consumer Utility Tax revenue (electric only) estimate of \$2.6 remained flat for FY2012. Revenue from the 8.0 percent Hotel/Motel Tax is anticipated to remain level at \$9.2 million in FY2012. These funds will be paid to the Richmond Convention Center during FY2012. The Convention Center will return \$2.3 million (a fourth of the 8.0 percent levy) to the County at the end of FY2012. The assumptions used when preparing the FY2012 - FY2014 revenue estimates for each of these taxes are described in greater detail in the following pages.

Real Property Taxes are estimated to generate almost \$280.7 million or 34.2 percent of the County's total General Fund revenue in FY2012. This is a decrease of \$2.5 million or 0.9 percent over the current fiscal year. Included within this total is revenue derived from current real estate taxes and real estate taxes paid by public service corporations. The FY2012 budget is balanced within the tax rate of \$0.87 per \$100 of assessed value for CY2011.

Assessment information for January 2011 indicates real estate assessments total \$31.7 billion, reflecting a decline of \$314.8 million, or just less than 1.0 percent from the January 2010 assessed values, and reflects the second consecutive year-over-year decline in real estate valuation. The commercial percentage of the tax base equated to 29.2

percent in January 2011. The commercial ratio decreased from January 2010, mostly due to declines in commercial real estate values because of the amount of vacant office space in the County. Residential real estate

Real Property Tax Revenues



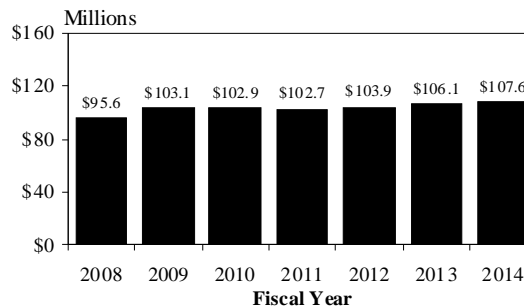
Fiscal Years 2011 through 2014 are estimated.

valuation declined by \$174.0 million or 0.8 percent. Real estate valuations have been impacted by the economic downturn and are indicative of current market conditions.

Out year projections on movements in countywide assessments are based on a forecast model factoring in changes in both residential and commercial values as well as the addition of new residential and commercial construction. The FY2013 and FY2014, projections assume increases to the County's real property tax collections of 1.6 and 1.3 percent respectively.

Personal Property Taxes are levied on the tangible property of individuals and businesses. For individuals, this tax is primarily on automobiles and recreational vehicles. Businesses personal property includes motor vehicles, machines, furniture, computers, fixtures and tools. The approved budget maintains the following Personal Property Tax rates: \$3.50 per \$100 of assessed value for tangible personal property; \$1.00 per \$100 of assessed value for machinery and tools; \$1.60 per \$100 of assessed value on airplanes; and \$1.00 per \$100 of assessed value for one vehicle for rescue squad volunteers. Also included are Personal Property Tax rates of \$0.40 per \$100 of assessed value for machinery and tools used in Semiconductor Manufacturing; and \$0.01 per \$100 of assessed value for tangible personal property owned by disabled veterans and vehicles equipped for the physically handicapped.

Personal Property Tax Revenues



Fiscal Years 2011 through 2014 are estimated.

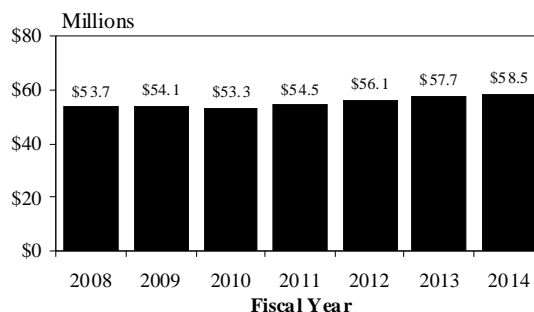
FY2011 marks the thirteenth year of the Personal Property Tax Relief Act (PPTRA) enacted by the General Assembly in 1998, although actual reimbursements to localities were capped by the State in the 2004 legislative session. Due to the State payment cap the amount of tax relief will vary by year and locality. The amount of funding Henrico will receive on an annual basis is \$37.0 million. For Henrico residents owning qualifying individual vehicles assessed at or below \$1,000, the State's reimbursement is intended to pay 100.0 percent of the CY2011 tax levy. For qualifying individual vehicles assessed between \$1,001 and \$20,000, the State will pay Henrico County 68.0 percent of the CY2011 tax levy. With qualifying individual vehicles valued at \$20,001 or more, the State will pay Henrico County 68.0 percent of the CY2011 tax levy for the first \$20,000 of value only. The PPTRA payments from the State are included in the projections for FY2012 through FY2014. Henrico's payment from the State will remain constant at \$37.0 million, so as personal property values increase over time, the actual percentage of State reimbursement will decrease.

Personal Property Tax revenue is estimated at \$103.9 million for FY2012. This represents 12.7 percent of total General Fund revenue. This revenue includes taxes from current personal property and taxes on personal property owned by public service corporations. Projections for Personal Property Tax receipts anticipate a 2.1 percent increase for FY2013 and a 1.4 percent increase in FY2014.

Other General Property Tax revenue includes delinquent real estate and personal property taxes, land redemptions and interest and penalties on delinquent taxes.

Local Sales Tax revenue is considered an elastic revenue source because it is responsive to changes in the economy. Virginia's Sales Tax rate was increased to 5.0 percent during FY2005. The Virginia General Assembly approved the increase in May 2004 and dedicated the proceeds to local education. With the increase the State will retain 4.0 percent and return 1.0 percent as unrestricted revenue to the locality where the funds were collected (localities also receive a blended

Local Sales Tax



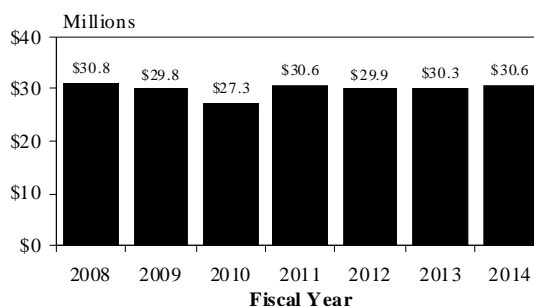
Fiscal Years 2011 through 2014 are estimated.

1.25 percent back from the State for local education – see the discussion on State Revenues). Local Sales Tax revenue is projected to generate \$56.1 million in FY2012, an increase of \$1,550,000, or 2.8 percent from the current fiscal year budget. Projections for Local Sales Tax anticipate a 3.0 percent increase in FY2013 and a 1.3 percent increase in FY2014.

Henrico County’s retailers continue to lead the Richmond Metropolitan Area in the generation of Local Sales Tax revenue. As of May 2011, Henrico County is recording 41.3 percent of the Local Sales Tax dollars redistributed to localities in the Richmond Metropolitan Area by the State.

Business & Professional License (BPOL) Taxes are levied on businesses operating in the County. In January 1996, Henrico County embarked on the most ambitious BPOL tax reduction strategy in Virginia in an effort to continue to attract economic development to the County. This strategy, completed with the FY2000 Annual Fiscal Plan, resulted in the exemption of the first \$100,000 of gross receipts for County businesses. This exemption is different from the “threshold” tax reduction in other Virginia localities. For Henrico County businesses, the first \$100,000 of gross receipts is exempt from the BPOL tax – regardless of total gross receipts. In a “threshold” locality, if a business exceeds \$100,000 in gross receipts, all gross receipts are taxable as the tax reduction only applies to businesses with total gross receipts below the \$100,000 threshold. In addition, the FY2012 budget maintains a maximum uniform BPOL tax rate of \$0.20/\$100 of gross receipts for all business categories.

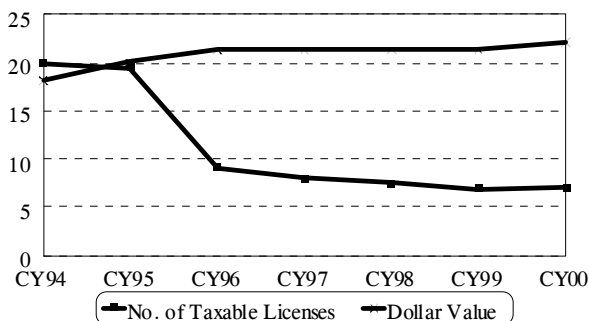
Business and Professional License Tax



Fiscal Years 2011 through 2014 are estimated.

The graph to the right depicts the success of Henrico’s BPOL tax reduction program. The success is apparent by comparing the change in the number of *taxable* business licenses issued in calendar year 2000 and those issued in calendar year 1995 (the year before the tax reduction was implemented). All County businesses must hold a valid business license, but that license may or may not be taxable. The BPOL tax reduction was implemented in phases and was initiated in January 1996, when the Board of Supervisors implemented a standard exemption for the first \$25,000 of gross receipts earned by County businesses. In January 1997, the earnings exemption was increased to the first \$50,000 of gross receipts. The FY1998 budget continued the rate rollback and the gross receipts exemption was increased to the first \$75,000 earned by County businesses. The FY1999 budget raised the gross receipts exemption amount to \$100,000 and continued the rate rollback. The FY2000 budget completed the rate rollback at the maximum uniform rate of \$.20/\$100 of gross receipts for all business categories. A category change was implemented in FY2002, when utility companies discontinued paying BPOL taxes, and began paying a Local Consumption Tax, which is based on actual usage of electricity. This change was initiated by the State due to the forthcoming deregulation of the utility industry in Virginia. The FY2012 forecast assumes BPOL tax receipts will decrease to a level of \$29.9 million. The FY2013 prediction assumes an increase of 1.4 percent and an increase of 1.0 percent in FY2014.

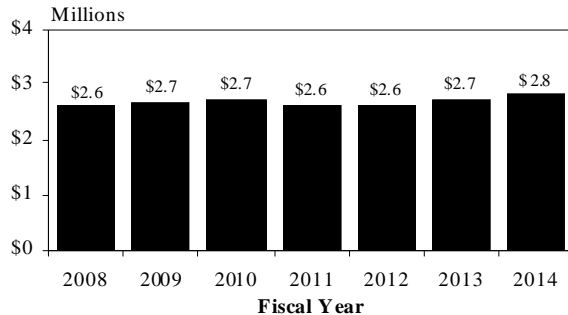
BPOL Tax No. of Taxable Licenses v. Dollar Value



Motor Vehicle License Taxes are collected for every motor vehicle or trailer normally garaged, stored or parked in the County. The FY2012 revenue estimate remained the same as the FY2011 estimate at \$6.3 million. The projection for FY2013 and FY2014 is \$6.4 million.

Consumer Utility Taxes are estimated at \$2.6 million in FY2012. This is a result of legislation approved by the General Assembly in the 2006 Legislative Session, which was the passage of the Virginia Communications Sales

Consumer Utility Tax



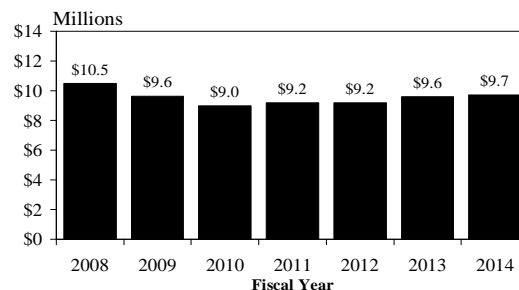
Fiscal Years 2011 through 2014 are estimated.

& Use Tax (HB568). This bill changed the way certain communication mediums are taxed in Virginia by removing the taxing authority from localities and placing a statewide tax on certain services. Included in the statewide 5.0 percent sales and use tax are landline telephones, cellular telephones, Voice Over Internet Protocol (VOIP), paging services, cable television services, satellite television services, and satellite radio. With the passage of HB568, localities no longer administer several local taxes and fees such as the Consumer Utility taxes on landline telephones, the mobile phone utility tax, local E-911 and cable franchise fees. This does not affect the Consumer Utility Tax as it applies to electric and gas companies, as well as Wireless E-911 fees received by the County from the State. The State distributes the revenues from the Virginia

Communications Sales and Use Tax to localities based upon FY2006 actual receipts for the taxes and fees that were eliminated, after administrative costs for the tax are covered along with funding for the telephone relay service center for the deaf and payment of any local cable franchise fees that will now be collected by the State Department of Taxation. In total, the Communications Sales & Use Tax, which went into affect January 1, 2007, is projected to total \$14.5 million in FY2012.

Hotel/Motel Taxes under the Code of Virginia are defined as “transient occupancy taxes”. These taxes are similar to the Sales Tax in that they are based on the value of a purchase, which in this case is a motel or hotel room. The Hotel/Motel Tax rate in the Richmond Metropolitan Area is 8.0 percent. Historically, Henrico County levied a 2.0 percent Hotel/Motel Tax, with proceeds utilized to offset local tourism expenditures. However, in FY1997, the Virginia General Assembly authorized an additional 4.0 percent levy of the Hotel/Motel Tax. The additional 4.0 percent levy represents a regional effort by the Counties of Chesterfield, Hanover, Henrico and the City of Richmond to finance the expansion of the Richmond Convention Center.

Hotel/Motel Tax



Fiscal Years 2011 through 2014 are estimated.

In the 1998 Legislative Session, the Virginia General Assembly authorized an additional 2.0 percent levy in the Hotel/Motel Tax (bringing the entire levy to 8.0 percent) and earmarked the additional 2.0 percent levy for the Richmond Convention Center. FY2012 revenue estimates for the Hotel/Motel Tax total \$9.2 million. In FY2012, the entire 8.0 percent levy will be transferred to the Richmond Convention Center Authority. At the end of the fiscal year, Henrico County’s local 2.0 percent component for tourism expenses will be returned from the Authority. FY2013 and FY2014 projections assume annual increases of 4.4 and 1.0 percent, respectively.

Bank Franchise Taxes are derived from the taxation of net capital on banks located in the County. In FY2012, Bank Franchise Taxes are estimated at \$5.0 million. Bank Franchise tax revenue is projected to remain constant in FY2013 and FY2014 at \$5,000,000.

Other Local Taxes includes funds received for grantor’s taxes, recordation taxes, daily rental tax, and the consumption tax. In total \$5.7 million is budgeted in FY2012, while the projections for FY2013 and FY2014 are anticipated to be \$5.8 million and \$5.9 million, respectively.

Other Local Revenue:

Other Local Revenue is estimated to generate \$26.4 million in FY2012. This is a \$645,670 or 2.5 percent increase from FY2011. More detailed information on each of these categories of local revenue is included in the pages that follow.

Other Local Revenue	FY 2011 Approved	FY 2012 Approved	Increase (Decrease)	Percent Change
Permits, Fees and Licenses	\$ 3,239,200	\$ 3,345,200	\$ 106,000	3.3%
Fines and Forfeitures	2,315,000	2,390,000	75,000	3.2%
Use of Money and Property	9,734,400	9,784,400	50,000	0.5%
Charges for Services	3,554,200	3,748,700	194,500	5.5%
Miscellaneous	6,916,500	7,136,670	220,170	3.2%
Total Other Local Revenue	\$ 25,759,300	\$ 26,404,970	\$ 645,670	2.5%

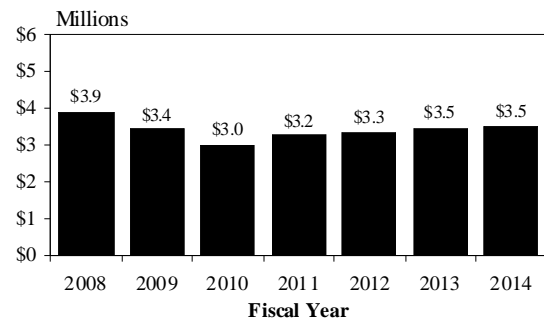
Permits, Fees and Licenses include such items as structure and equipment permits, municipal library fees, zoning application fees, fees for the rental of school facilities and dog licenses. This revenue category is estimated to generate \$3.3 million in FY2012, which is a \$106,000 increase when compared to the current fiscal year.

Building Permit Fees, which is an elastic revenue, accounts for more than 59.8 percent of this revenue category. In FY2012, Building Permit Fees are estimated to remain constant at \$2.0 million. The projection for this revenue continues the assumption that this revenue source will be below the historical highs that were seen in FY2005, FY2006, and FY2007 due to the continuing lack of new construction because of economic conditions.

Information through the second quarter of FY2011 indicates an increase in the total value of permits issued as compared to the first two quarters of FY2010. Residential permit values increased \$7.7 million, non-residential permit values increased \$26.0 million, and additions/alterations decreased \$7.8 million.

Looking back, residential building permit values in FY2010 totaled \$96.3 million, \$116.6 in FY2009 and \$271.0 in FY2008. The number of new single-family building permits issued in FY2010 was 641, 622 in FY2009 and 1,140 in FY2008. In FY2010, the total value of these permits decreased \$20.4 million or 17.5 percent compared to FY2009. The total value of these permits has decreased significantly over the past two years due to the slow down in the construction industry.

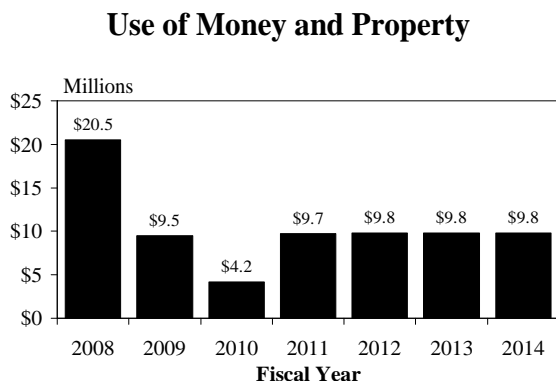
The forecast for Permits, Fees and License revenues is \$3.4 million in FY2013 and \$3.5 million in FY2014.

Permits, Fees, and Licenses

Fiscal Years 2011 through 2014 are estimated.

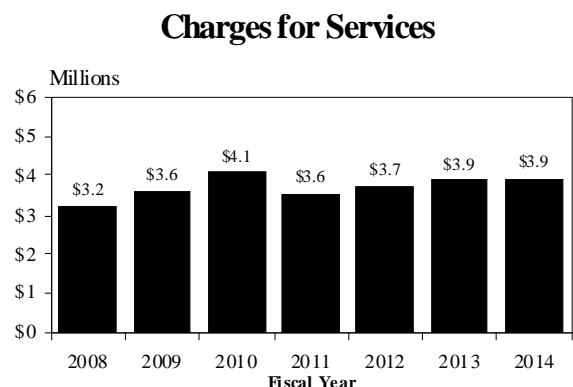
Fines and Forfeitures include revenue for such items as traffic and parking violations, false alarm fees and courthouse maintenance fees. This category is estimated at \$2.4 million in FY2012. Total projections in Fines and Forfeitures revenue category is \$2.5 million for FY2013 and FY2014.

Use of Money and Property is estimated to generate \$9.8 million in FY2012. This category of revenue includes receipts from the sale of County property and interest on County investments. The County generates revenue from the prudent and timely investment of cash reserves. The County invests cash reserves in Banker's Acceptances, Certificates of Deposit, Commercial Paper and Treasury Notes. Adherence to stringent cash management principles requires investing public funds in instruments that are safe, liquid, and generate adequate yields (See "Financial Guidelines"). Revenue from use of money and property is projected to remain constant at \$9.8 in FY2013 and FY2014.



Fiscal Years 2011 through 2014 are estimated.

Charges for Services are revenues paid by users of various County services including participation fees for Recreation and Parks special interest classes and sports leagues; charges for overdue and lost books; cafeteria receipts; and charges for data processing services. Revenue from Charges for Services is estimated at \$3.75 million in FY2012. Prior to FY2008 this revenue category also included the E-911 Service Charge which was replaced by the State Communication Sales and Use Tax (HB#568), and the payment-in-lieu of taxes from the Water and Sewer Enterprise Fund, which was eliminated in an effort to limit the increase of water and sewer rates. This revenue category is projected to increase to \$3.90 million in FY2013 and to \$3.94 million in FY2014.



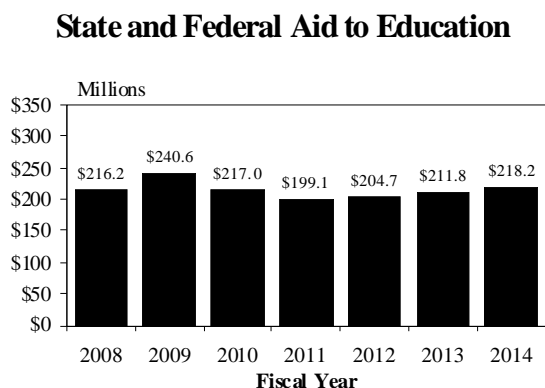
Fiscal Years 2011 through 2014 are estimated.

State and Federal Revenue:

State and Federal revenue is estimated at \$292.0 million in FY2012, which represents 35.5 percent of total General Fund revenue. This is a projected increase of approximately 2.0 percent over the current fiscal year. This category is comprised of revenue for General Government programs totaling \$87.3 million and Education funding in the amount of almost \$204.7 million. Following is a look at the components.

State and Federal Aid to Education is estimated to increase from \$199.1 million in FY2011 to 204.7 million in FY2012. This is an increase of \$5.5 million or 2.8 percent. This projection assumes an increase of 3.5 percent in FY2013 and an increase of 3.0 percent in FY2014.

Beginning in FY1999, The State began allocating the State Lottery proceeds for local Education as a source of revenue for Education Capital Projects or for the payment of debt service. Henrico chose to allocate the State Lottery funds for pay-as-you-go capital projects. Due to the significant shortfalls in State revenue collections, beginning with FY2010, the allocation of State Lottery



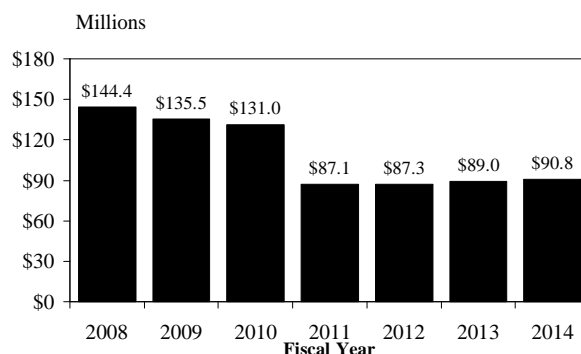
Fiscal Years 2011 through 2014 are estimated.

proceeds for capital was eliminated as these lottery proceeds have been reallocated by the State to the operating portion of the budget.

Federal reimbursements for Education comprise 2.8 percent of this revenue category. As such, they have a minimal impact on the level of total appropriations. In FY2012, Federal funding for Education totals \$300,000. The FY2013 and FY2014 projections are based on Federal revenue remaining at \$300,000.

State and Federal Aid to General Government is estimated at \$87.3 million in FY2012. This represents an increase of approximately \$212,000 or 0.24 percent when compared to the FY2011 budget. General Government programs for which Henrico County receives State and Federal funding include police, street and highway maintenance, social services, and partial payments for the salaries and benefits of constitutional officers and their employees. The budget estimate for the car tax payment from the State is included in the local Personal Property Tax projections for FY2011 through FY2014, due to the State not fully implementing the PPTRA (see Personal Property Taxes section). As such the budget for personal property tax is in one central location. It must be noted that the budget adopted by the Virginia General Assembly in May 2004 froze the PPTRA reimbursement to localities. The future payment to localities will equal the actual FY2005 payment. Henrico's payment under the State cap is \$37.0 million. As such, over time, the reimbursement from the State will remain flat, while the local component (paid by the County taxpayers) will increase. The decrease in State Aid to General Government programs from FY2008 to FY2011 was due to state revenue shortfalls and the elimination of the construction component of the State Gas Tax allocation that Henrico received for street and highway construction. Henrico is projected to receive of \$28.7 million for road maintenance in FY2012. State and Federal Aid to General Government is estimated to increase to \$89.0 million in FY2013 and to \$90.8 million in FY2014.

State and Federal Aid to General Gov't.



Fiscal Years 2011 through 2014 are estimated. PPTRA payments are reflected in the FY2008-FY2010 totals. Current and future year projections include the estimate for personal property in one central location (local revenue).

Expenditures

Assumptions

In the course of developing the FY2012 Annual Fiscal Plan, difficult decisions were required to bring the budget into balance and maintain the real estate tax rate at \$0.87 per \$100 of assessed value in CY2011. These decisions were reached after careful review and planning by the Board of Supervisors. This planning reaches beyond FY2012 and is intended to establish a balance between the County's recurring revenues and expenditures in future years. The FY2012 General Fund Budget of \$743.7 million represents an increase of \$2.6 million or 0.35 percent, which is discussed below and in greater detail in the County Manager's Budget Message and respective department narratives.

Education is one of the top priorities of the Board of Supervisors. In FY2012, the Education budget represents 54.3 percent of General Fund expenditures. General Fund Education expenditures total \$403.8 million in the Annual Fiscal Plan, which represents an increase of \$1.3 million, or 0.33 percent. Of the total expenditures in Education, 49.2 percent are funded with locally generated revenues and 50.8 percent are funded with State and Federal funding. It must be noted that the totals above do not include Debt Service costs for Education, which are entirely a local responsibility (see the Debt Service Fund forecast).

For General Government, the total for the FY2012 Annual Fiscal Plan is \$340.0 million, an increase of \$1.3 million, or 0.37 percent. Balancing the budget required further reductions to expenditures including 42 positions being unfunded and removing them from their respective departments, utilizing a 2.75 turnover rate and making operating reductions across all General Government areas. The FY2012 Annual Fiscal Plan does include a 2.372

percent merit increase for all County employees including School employees. This is the first increase in employee salaries since FY2009.

General Fund expenditures, *prior to transfers*, are forecasted to grow by 1.0 percent in FY2013 and 2.9 percent in FY2014. The proposed levels of operational funding allows for the continuation of existing service levels as well as new operating costs associated with projects approved in the March 2005 Bond Referendum. Due to current economic conditions, the growth in expenditures is not anticipated to achieve the five percent maximum during the projection period. The total anticipated increase of 1.0 percent in FY2013 includes \$6.1 million for estimated operating expenditures associated with projects approved in the March 2005 Bond Referendum for Education and \$624,000 for General Government projects.

The FY2012 Capital Budget totals \$141.4 million. The five-year Capital Improvement Program for FY2012 through FY2016 includes requests that are almost \$1.9 billion. The County of Henrico will continue to ensure necessary Capital Projects are funded in a manner that maintains the County's AAA/AAA/Aaa bond ratings (See "Financial Guidelines"). Of the \$141.4 million FY2012 Capital Budget, \$100.8 million is for Water and Sewer projects. Water and Sewer projects are funded by revenues from water and sewer user and connection fees. The remaining balance of \$40.6 million within the FY2012 Capital Budget has been approved for Education and County General Fund supported departments. General Obligation Bonds will fund \$33.2 million in projects with \$22.9 million designated for projects approved on the March 2005 Bond Referendum for Education and \$10.3 million designated for the following General Government department projects: Fire Station #13, Dumbarton Area Library and Twin Hickory Park.

As a means of ensuring the County does not rely too heavily on debt financing for required infrastructure improvements, the FY2012 Annual Fiscal Plan includes \$5.0 million in pay-as-you-go funding. In the area of Education, \$2.5 million is included for roof replacements and mechanical improvements. The remaining \$2.5 million has been allocated for General Government projects in a variety of ways: \$1,500,000 for technology upgrade projects; \$150,000 to continue implementing and updating the Geographic Information System; and \$850,000 will go towards a variety of other projects, such as improvements and rehabilitations of park facilities, pavement rehabilitation and building maintenance area safety improvements. Also General Fund revenue from a portion of the Motor Vehicle License Fees totaling \$850,000 is designated for various road improvement projects.

(To) From General Fund Balance is the amount added to or taken from the General Fund Balance based on budgetary needs. This forecast assumes expenditures for FY2012 will use \$5.0 million from ending FY2011 undesignated fund balance. The use of undesignated fund balance is for capital projects including \$2.5 million for Education capital improvements including roof replacements and HVAC improvements as well as various General Government capital improvements totaling \$2.5 million. The General Government projects include pavement rehabilitation, building maintenance area safety improvements, recreation facility rehabilitation, and continued funding for the Geographic Information System.

To (From) Debt Service Fund represents the forecast of General Fund support to the Debt Service Fund. The debt service levels through FY2012 are calculated on existing and projected debt service requirements. The forecast period is based on projected debt service costs arising from the \$237.0 million General Obligation (GO) Bond Referendum approved by the voters in November 2000 and projected debt service on the \$349.3 million General Obligation (GO) Bond Referendum approved by the voters in March 2005. The debt from the November 2000 Referendum was issued over a seven-year period from FY2001 to FY2007. The debt from the March 2005 Referendum was also planned to be issued over a seven-year period from FY2006 to FY2012. However due to the recession the planned GO Bond issue for FY2010 was delayed one year to FY2011. Thus the projected GO Bond issues for the next two years are \$33.3 in FY2012 and \$35.7 million in FY2013

To (From) Capital Projects is projected at \$5.9 million in FY2012, of which, \$5.0 million is targeted for General Fund (pay-as-you-go) support for capital improvement projects – as mentioned above. Projections for FY2013 and FY2014 are for transfers of \$5.9 million each year. In each of these years, the County anticipates allocating \$5.0 million for funding of routine capital projects such as roof repairs, pavement rehabilitation and mechanical improvements. The FY2006 Approved Budget established a ceiling for the County's undesignated fund balance of 18.0 percent and once this balance is reached additional reserves will be allocated to a Capital

Reserve and used for pay-as-you-go capital projects. FY2012, FY2013 and FY2014 do not project an allocation from the Capital Reserve as this is based on actual results of operations. Also included for road projects is \$850,000 of Motor Vehicle License Fees in each fiscal year of the projection period.

To (From) CAM Fund is a transfer to purchase new vehicles. There is no transfer recommended for FY2012. Also the forecast for FY2013 and FY2014 do not anticipate transfers to Central Automotive Maintenance (CAM) to purchase new vehicles for the County's fleet.

To (From) Technology Replacement Fund is a transfer to purchase new equipment that will be added to the Technology Replacement Fund. There is no transfer recommended for FY2012 and none anticipated for FY2013 and FY2014. Once new equipment is added to the technology replacement program, the cost to replace the equipment in the future comes from Technology Replacement Fund reserves.

To (From) Risk Management Fund is the transfer of funds to support risk management operations. The fund was established in FY2005. The FY2012 transfer is for \$4.4 million to support the County's Risk Management operations, which includes the cost of the County's self-insurance program (excluding healthcare which is a separate Internal Service Fund) and the cost to purchase insurance policies as well as funding the administrative costs of the operation. The anticipated transfer to fund the cost of the County's Risk Management operation for FY2013 and FY2014 is estimated at \$4.5 million per year.

To (From) Special Revenue Fund is the anticipated local requirement from the General Fund to support a variety of State and Federal grant programs including the Capital Region Workforce Consortium (CRWC), the Community Corrections Services Program, the Comprehensive Services Act (CSA), and the Virginia Juvenile Community Crime Control Act (VJCCCA). Also included in the transfer is the County's funding for the curbside-recycling program in the Solid Waste Division and the County's funding for the Department of Mental Health and Developmental Services. The transfer to the Special Revenue Fund is estimated at \$23.3 million in FY2012. The projections over the forecast period are \$23.7 million in FY2013 and \$24.2 million in FY2014, and were determined after analyzing all of the individual components of the Special Revenue Fund.

To (From) Water and Sewer Enterprise Fund represents the annual transfer to pay for the debt service costs associated with \$32.0 million in debt for infrastructure improvements made at the Elko Industrial Tract for current and future economic development prospects. The FY2012 estimate of these costs is \$800,000 and the cost remains relatively flat in FY2013 and FY2014.

To (From) JRJDC Agency Fund represents the transfer to pay for Henrico County's share of the operating costs and debt service requirements associated with the James River Juvenile Detention Center (JRJDC). The JRJDC Agency Fund accounts for the James River Juvenile Detention Center budget. Henrico County, as the majority partner serves as the fiscal agent for the James River Juvenile Detention Center Commission. Henrico's role as fiscal agent eliminates the need for the Commission to duplicate various administrative functions related to personnel matters, procurement and accounting activities and budget responsibilities. The JRJDC Agency Fund accounts for the Commission's revenues from participating localities, operating and debt service expenditures. As the forecast indicates, the transfer to the JRJDC Agency Fund is anticipated at \$3.3 million for FY2012; \$3.3 million in FY2013 and \$3.4 million in FY2014.

(To) From OPEB - GASB 45 represents the anticipated funding for the significant cost that arose from a new accounting requirement issued by the Government Accounting Standards Board (GASB) known as GASB 45. A new fiduciary fund was created in FY2006 with an allocation of \$6.7 million. The transfer will allow the County to budget for the annual cost of public employee non-pension benefits, all outstanding obligations and commitments related to Other Post Employment Benefits (OPEB) in the same manner as reporting financial information for pensions. Projections for FY2012, FY2013, and FY2014 are \$3.0 million each year, which is anticipated to fully fund Henrico's obligation in this area.

(To) From Revenue Stabilization are funds held in reserve to offset increases in future operating costs associated with schools, parks, fire facilities, and libraries that will be constructed with General Obligation Bond funds authorized by the voters in the March 2005 referendum. This funding source was first used in FY2003. The use

of the designated fund balance is an allocation from the Revenue Stabilization reserve, which was created by the Board of Supervisors in FY2002 to pay for Bond Referendum operating costs. The fund uses current revenues as a financing source and not one-time sources. Once the large one-time incremental increases, which arise from these projects, dissipate, then the reserve will no longer be required. In FY2012, a forecasted uses of \$10.2 million is anticipated, \$6.8 million is anticipated to be allocated from this reserve in FY2013, and \$14.0 million is anticipated for FY2014.

Ending General Fund Balance represents reserves not appropriated for expenditure, including the designated and undesignated balances.

General Fund Forecast

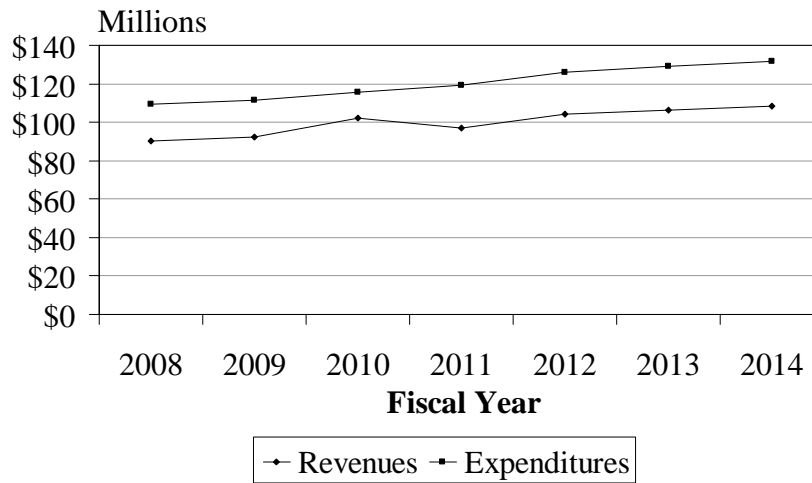
	FY09-10 Actual	FY10-11 Original	FY11-12 Approved	FY12-13 Forecast	FY13-14 Forecast
Revenues:					
Current Real Estate Tax	\$ 283,810,673	\$ 275,890,000	\$ 273,200,000	\$ 277,298,000	\$ 280,828,973
P.S. Real Estate Tax	8,227,731	7,300,000	7,500,000	7,875,000	7,953,750
Current Personal Prop. Tax (1)	65,773,724	102,600,000	103,800,000	106,000,000	107,500,000
P.S. Personal Property Tax	128,340	130,000	130,000	130,000	130,000
Other General Property Tax	7,343,487	3,080,000	4,030,000	5,500,000	5,555,000
Local Sales Tax	53,256,396	54,500,000	56,050,000	57,731,500	58,500,000
Business License Tax	27,313,047	30,600,000	29,850,000	30,263,000	30,565,000
Motor Vehicle License Tax	6,181,741	6,325,000	6,325,000	6,390,000	6,390,000
Consumer Utility Tax	2,690,681	2,600,000	2,600,000	2,730,000	2,757,000
Bank Franchise Tax	14,579,140	5,000,000	5,000,000	5,000,000	5,000,000
Hotel/Motel Tax	9,005,456	9,200,000	9,200,000	9,600,000	9,700,000
Other Local Taxes	4,952,964	5,790,000	5,730,000	5,800,000	5,900,000
Local Taxes Sub-Total	483,263,380	503,015,000	503,415,000	514,317,500	520,779,723
Permits, Fees, & Licenses	3,018,100	3,239,200	3,345,200	3,450,000	3,500,000
Fines & Forfeitures	2,479,557	2,315,000	2,390,000	2,510,000	2,535,000
Use of Money & Property	4,159,787	9,734,400	9,784,400	9,784,400	9,784,400
Charges for Services	4,096,269	3,554,200	3,748,700	3,900,000	3,940,000
Miscellaneous Revenue	9,711,135	6,916,500	7,136,670	8,000,000	8,080,000
Total Local Revenue	506,728,228	528,774,300	529,819,970	541,961,900	548,619,123
State & Federal-Schools	216,957,512	199,131,000	204,679,000	211,842,765	218,198,048
State & Federal-General Government (1)	131,028,524	87,066,200	87,278,200	89,023,764	90,804,239
Total State & Fed. Revenue	347,986,036	286,197,200	291,957,200	300,866,529	309,002,287
Total Revenue	854,714,264	814,971,500	821,777,170	842,828,429	857,621,410
(1) Actual PPTRA Car Tax Reimbursements are reflected as State Aid, although budget estimates do not break out PPTRA Reimbursements from Current Personal Property Tax estimates. FY10 actual = \$37,001,783. Forecast period FY11 thru FY14 equal \$37,000,000.					
Transfers:					
(To) From Fund Balance - Capital Projects	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
(To) From Debt Service Fund	(50,070,508)	(49,832,472)	(52,854,043)	(63,033,646)	(62,951,856)
(To) From Capital Projects Fund	(21,069,798)	(9,415,242)	(5,850,000)	(5,850,000)	(5,850,000)
(To) From CAM Fund	-	-	-	-	-
(To) From Technology Replacement Fund	-	-	-	-	-
(To) From Risk Management Fund	(9,277,368)	(4,364,026)	(4,369,790)	(4,457,186)	(4,546,330)
(To) From Special Revenue Fund	(19,155,242)	(23,361,772)	(23,252,945)	(23,718,004)	(24,192,364)
(To) From Enterprise Fund	(661,231)	(772,219)	(756,608)	(772,219)	(772,219)
(To) From JRJDC Agency Fund	(3,286,700)	(3,281,789)	(3,281,089)	(3,335,487)	(3,384,887)
(To) From Capital Reserve	9,150,000	3,565,242	-	-	-
(To) From Fund Balance - General Fund	(12,224,069)	-	-	-	-
Use of Fund Balance - General Fund	-	-	-	-	-
(To) From OPEB - GASB 45	(6,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)
(To) From Revenue Stabilization	750,000	11,548,345	10,248,671	6,758,643	14,040,132
Total Transfers	(106,844,916)	(73,913,933)	(78,115,804)	(92,407,899)	(85,657,524)
Total Resources	\$ 747,869,348	\$ 741,057,567	\$ 743,661,366	\$ 750,420,530	\$ 771,963,887
Expenditures:					
General Government Administration	\$ 52,245,240	\$ 55,916,358	\$ 55,759,533	\$ 55,789,533	\$ 56,347,428
Judicial Administration	8,019,900	7,975,999	8,049,983	8,049,983	8,130,483
Public Safety	153,856,107	154,575,794	155,821,049	156,068,951	160,069,078
Public Works	38,622,632	35,855,526	35,765,565	35,765,565	36,123,221
Health & Social Services	24,099,903	20,109,792	20,180,869	20,180,869	20,382,678
Education	408,555,314	402,409,019	403,750,000	409,885,475	415,483,348
Recreation & Culture	30,559,928	32,334,940	33,257,069	33,602,856	44,039,580
Community Development	19,317,191	19,352,132	19,058,975	19,058,975	19,249,565
Miscellaneous	12,593,133	12,528,007	12,018,323	12,018,323	12,138,506
Total Expenditures	\$ 747,869,348	\$ 741,057,567	\$ 743,661,366	\$ 750,420,530	\$ 771,963,887
Fund Balance:					
Reserved (*)	7,903,999	12,500,000	12,500,000	12,500,000	12,500,000
Designated (**)	101,927,263	90,378,918	80,130,247	73,371,604	59,331,472
Undesignated Fund Balance	136,771,366	133,390,362	133,859,046	135,075,695	138,953,500
Total Fund Balance	246,602,628	236,269,280	226,489,293	220,947,299	210,784,972

* Represents reserves (largely comprised of encumbrances).

** Changes to designated fund balance are the results of the use of or addition to the Revenue Stabilization Fund and Designated State Revenues.

*** With the establishment in the FY2006 approved Annual Fiscal Plan of an undesignated fund balance ceiling at 18%, the changes to undesignated fund balance in the projections reflect necessary addition to maintain the 18% ceiling.

Three Year Forecast Revenues and Expenditures Special Revenue Fund



Fiscal Years 2011 through 2014 are estimated. Revenues exclude transfers from other funds.

SPECIAL REVENUE FUND

(Fund 11)

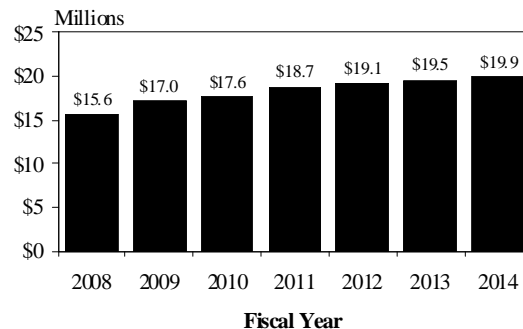
The Special Revenue Fund accounts for proceeds from revenue sources that legally restrict expenditures to specified purposes. Henrico County's Special Revenue Fund includes the Department of Public Utilities' Solid Waste and Street Lighting operations; Public Works' Watershed and Best Management Practices programs; Schools' Cafeteria Programs; Mental Health; State and Federal grants for various educational and County programs; certain aspects of the Economic Development Authority, asset forfeitures, and the Police Metro Aviation Unit. The Special Revenue Fund budget for FY2012 is \$125,898,394, an increase of \$6,564,847 or 5.5 percent, over the current fiscal year. Projected resources and requirement for FY2013 and FY2014 are included in the pages that follow.

Revenues

Assumptions

School Cafeteria revenues support the operations of all County public school cafeterias. Funding is received from specific State and Federal governments grant programs as well as revenues generated by the school lunch program. Receipts for FY2012 are estimated at \$19,094,517 compared to \$18,685,275 in FY2011. The increase is based on an increase in anticipated revenues from the federal government. FY2013 and FY2014 revenue estimates of \$19,476,407 and \$19,865,935 respectively reflect projected increases of 2.0 percent, which are based on anticipated growth in pupil enrollment and cafeteria operations.

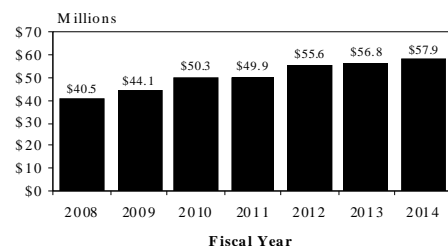
School Cafeteria Revenue



Fiscal Years 2011 through 2014 are estimated.

State, Federal and Other Grants revenue funds various programs, principally those related to Education, the Capital Region Workforce Consortium (CRWC), the Community Corrections Services Program, the Community Development Block Grant (CDBG), the Comprehensive Services Act (CSA), and the Virginia Juvenile Community Crime Control Act (VJCCCA). Grant funding, for FY2012, totals \$55,643,989. In the event additional grant funding is received during the fiscal year, the County will recognize the revenue only after official notification has been received from the State or Federal government, and approval has been obtained in the form of a budget amendment from the Board of Supervisors.

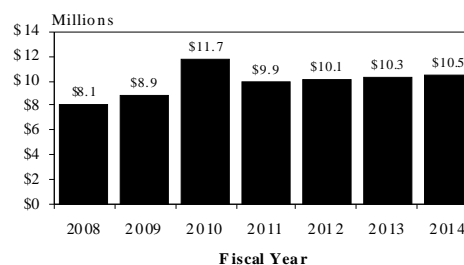
State, Federal, and Other Grant Revenue



Fiscal Years 2011 through 2014 are estimated. Revenues do not include transfers from other funds.

Solid Waste revenues support the operation and maintenance of the County's solid waste disposal operation. A portion of the funding is user charges from customers who receive County refuse removal service. Revenue is also collected from landfill user fees paid by commercial trash hauling companies and County residents. The cost of providing curbside recycling, bagged leaf collection, neighborhood cleanup and bulky waste services throughout the County will be funded by a General Fund subsidy to the Solid Waste Fund. The amount of the General Fund subsidy will be net of any user fee revenue generated by these services. Incremental increases in the General Fund subsidy are forecasted to support inflationary and population growth in existing subsidized programs. There are no additional program subsidies forecasted.

Solid Waste Revenue



Fiscal Years 2011 through 2014 are estimated. Revenues do not include transfers from other funds.

In FY2012, the revenue generated by the \$30 bi-monthly refuse collection fee and the bulky waste collection fee of \$43 per trip are forecasted to increase 2.7 percent. The forecasts for FY2013 and FY2014 reflect annual increases in revenues of 2.0 percent. The increased revenue is the result of system growth and not increased fees.

Street Lighting revenues fund the operation and maintenance of the street lighting districts throughout the County. Funding is provided by a specific annual surcharge levied on each property within a street light district. Street lighting revenue estimates throughout the forecast period support operating costs of existing streetlights.

Mental Health revenues are restricted to providing community based mental health, developmental, and substance abuse services to the residents of Henrico County, Charles City County, and New Kent County. The Mental Health budget for FY2012 is \$32,442,571 including the General Fund contribution of \$14,434,355, State revenues of \$6,320,746 federal revenues of \$1,910,641, fee revenues of \$9,432,429, and \$344,400 of contract revenues from Sheltered Employment. A 2.0 percent increase in Mental Health revenues is projected for both FY2013 and FY2014. The forecast is based on anticipated increases in State and Federal grant funding. MH/DS/SA receives funding through State and Federal Aid programs including the Reinvestment Program, community care funds from the State, and the Part C Grant program. It is expected that these funding sources should continue in the future.

The Police Metro Aviation Unit is a regional multi-jurisdictional effort that includes the City of Richmond, Chesterfield and Henrico counties. Each locality will contribute \$135,561 in FY2012, \$138,272 in FY2013, and \$141,038 in FY2014 based upon 2.0 percent increases in FY2013 and FY2014. It is anticipated that the State Supreme Court will reimburse the Metro Aviation Unit \$55,000 for costs incurred to extradite prisoners in each year of the forecast period.

Best Management Practice devices are basins for treating storm water to improve water quality. The Department of Public Works is responsible for the long-term maintenance of Best Management Practice (BMP) devices in single family residential subdivisions within Henrico County. The BMP maintenance fee of \$100 per lot is paid by

developers at the time subdivisions are recorded. **The Watershed Management Program** provides alternatives to construction of BMPs in certain areas and will reduce the number of BMPs constructed in the future. The fee for the environmental fund is \$8,000 per pound of pollutant removal required and is paid by developers prior to POD approval and subdivision recordation.

(To) From General Fund represents local revenues, received by the General Fund and transferred to the Special Revenue Fund. Several State and Federal programs require a commitment of local funds before the locality is eligible to receive grant funds.

In FY2012, the transfer of \$23,252,945 includes the County's contribution of \$1,565,108 to fund the State Community Corrections Programs, the Capital Region Workforce Consortium (CRWC), the Special Drug Prosecutor, the Virginia Juvenile Community Crime Control Act (VJCCCA) and the State Victim/Witness Program; \$135,561 for Henrico County's portion of the regional Police Metro Aviation Unit; \$3,064,001 in support of Solid Waste programs; \$4,053,920 in local support of the Comprehensive Services Act (CSA); and \$14,434,355 for Mental Health. The total transfer from the General Fund is projected to increase to \$23,718,004 in FY2013 and \$24,192,364 in FY2014.

(To) From School Cafeteria Fund Balance is a reserve, which has accumulated over time from the operation of the school cafeterias. The School Board's practice in the past has been to charge enough for cafeteria meals to cover the cost of providing the service to County students. Expenditure projections are based on prior experience and student enrollment. Occasionally, operational costs exceed revenues and a use of reserves is required.

(To) From Solid Waste Fund Balance is a reserve, which has accumulated over time from the solid waste operations to fund expansion and closure projects related to County owned landfills. It is the County's practice to ensure solid waste charges are sufficient to cover operating expenditures. The forecast for FY2013 and FY2014 reflects an increase in the Solid Waste Fund Balance as a result of revenues exceeding expenditures.

(To) From Street Light Fund Balance represents an accumulation of funds from street light related services. It is the County's practice to ensure street light charges are sufficient to cover operating expenditures, and subsequently limit the use of the Street Light Fund Balance to fund capital expenditures related to installing new lights.

Expenditures

Assumptions

The development of the FY2012 Special Revenue Fund budget assumes recurring revenues will support recurring expenditures in future years. Special Revenue Fund resources and requirements for FY2013 and FY2014 are expected to grow at an average rate of 2.5 percent and 2.2 percent respectively. The modest growth rate in grant related revenue is predicated on the basis that ongoing Federal and State budgetary constraints will limit substantial increases in grant funding in FY2013, and FY2014.

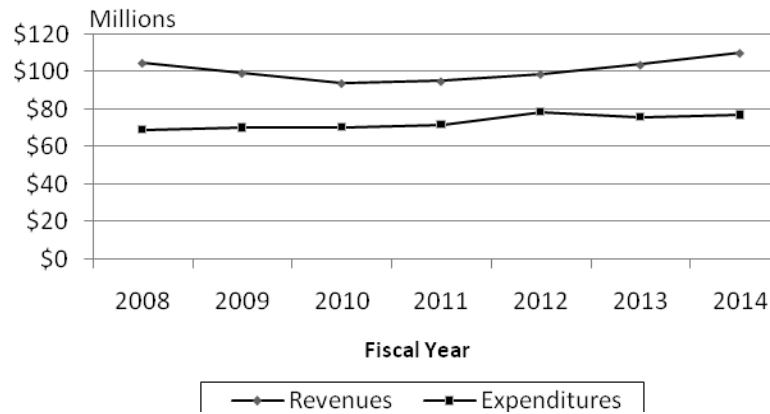
Ending Special Revenue Fund Balance is the sum of all sub-fund fund balances, which are expected to remain on June 30th of each of the forecasted fiscal years, within the School Cafeteria Fund, Solid Waste Fund, and Street Light Fund. The State and Federal Grants fund balance and the Economic Development Authority fund balance are forecasted to be zero in FY2011 through FY2014 based on the assumption that all funding will be spent in the fiscal year it is budgeted. If a balance exists on June 30th, it is the County's policy to carry those funds forward to the next fiscal year.

Special Revenue Fund Forecast

	FY 09-10 Actual	FY 10-11 Original	FY 11-12 Forecast	FY 12-13 Forecast	FY13-14 Forecast
Revenues:					
School Cafeteria	\$ 17,615,714	\$ 18,685,275	\$ 19,094,517	\$ 19,476,407	\$ 19,865,935
State, Federal & Other Grants	50,321,636	49,877,573	55,643,989	56,756,869	57,892,006
Asset Forfeitures	208,021	0	0	0	0
Donations	28,818	0	0	0	0
Revenue from Local Sources - EDA	1,616,210	0	0	0	0
Other Local Taxes - EDA	2,437,559	0	0	0	0
Solid Waste	11,692,400	9,855,701	10,123,751	10,326,226	10,532,751
Street Lighting	66,179	72,500	72,500	73,950	75,429
Mental Health	17,902,654	17,442,149	18,008,216	18,368,380	18,735,748
Metro Aviation/Extradition	264,086	326,126	326,126	326,126	326,126
Watershed/Best Management Practices	153,091	897,000	897,000	897,000	897,000
Subtotal Revenues	<u>\$102,306,368</u>	<u>\$ 97,156,324</u>	<u>\$104,166,099</u>	<u>\$106,224,958</u>	<u>\$108,324,995</u>
From General Fund:					
State, Federal & Other Grants	\$ 4,099,302	\$ 5,589,540	\$ 5,619,028	\$ 5,731,409	\$ 5,846,037
Mental Health	12,074,954	14,572,670	14,434,355	14,723,042	15,017,503
Metro Aviation	97,445	135,561	135,561	138,272	141,038
Solid Waste	2,873,641	3,064,001	3,064,001	3,125,281	3,187,787
Subtotal From General Fund	<u>\$ 19,145,342</u>	<u>\$ 23,361,772</u>	<u>\$ 23,252,945</u>	<u>\$ 23,718,004</u>	<u>\$ 24,192,364</u>
(To) Capital Projects Fund for Solid Waste	(3,600,000)	0	(1,450,000)	0	0
(To) Capital Projects Fund for Mental Health	0	0	0	0	0
(To) Capital Projects Fund for Wireless	(253,700)	0	0	0	0
(To) From Wireless Fund Balance	253,700	0	0	0	0
(To) From Economic Development Fund Balance	(1,010,769)	0	0	0	0
(To) Short Pump CDA	0	0	0	0	0
(To) From Mental Health Fund Balance	0	0	0	0	0
(To) From School Cafeteria Fund Balance	(949,704)	(431,459)	(600,000)	0	0
(To) From Solid Waste Fund Balance	(8,981)	(753,090)	529,349	(939,063)	(707,595)
(To) From Street Light Fund Balance	0	0	0	0	0
Total Resources	<u><u>\$115,882,256</u></u>	<u><u>\$119,333,547</u></u>	<u><u>\$125,898,394</u></u>	<u><u>\$129,003,899</u></u>	<u><u>\$131,809,764</u></u>
Expenditures:					
School Cafeteria	\$ 16,666,010	\$ 18,253,816	\$ 18,494,517	\$ 19,476,407	\$ 19,865,935
State, Federal & Other Grants	54,451,840	55,467,113	61,263,017	62,488,277	63,738,043
Economic Development Authority	3,043,000	0	0	0	0
Solid Waste	10,957,060	12,166,612	12,267,102	12,512,444	13,012,942
Street Lighting	66,179	72,500	72,500	73,950	75,429
Mental Health	30,193,394	32,014,819	32,442,571	33,091,422	33,753,251
Metro Aviation/Extradition	351,682	461,687	461,687	464,398	467,164
Watershed/Best Management Practices	153,091	897,000	897,000	897,000	897,000
Total Expenditures	<u><u>\$115,882,256</u></u>	<u><u>\$119,333,547</u></u>	<u><u>\$125,898,394</u></u>	<u><u>\$129,003,899</u></u>	<u><u>\$131,809,764</u></u>
Ending Special Revenue Fund Balance:					
Schools	\$ 2,311,972	\$ 2,743,431	\$ 3,343,431	\$ 3,343,431	\$ 3,343,431
State, Federal & Other Grants, Forfeitures (*)	15,471,146	0	0	0	0
Economic Development Authority	5,116,241	0	0	0	0
Solid Waste	8,128,005	8,881,095	8,351,746	9,290,809	9,998,404
Street Lighting	772,623	772,623	772,623	772,623	772,623
Total Fund Balance	<u><u>\$ 31,799,986</u></u>	<u><u>\$ 12,397,149</u></u>	<u><u>\$ 12,467,800</u></u>	<u><u>\$ 13,406,863</u></u>	<u><u>\$ 14,114,458</u></u>

* Forecast assumes miscellaneous grant appropriations will be spent by 6/30/10. EDA balances will be appropriated annually, through a budget amendment, based on actual receipts. Any unspent appropriations will be carried forward into FY2010-11.

Three Year Forecast Revenues and Expenditures Enterprise Fund – Water & Sewer



Fiscal Years 2011 through 2014 are estimated.

ENTERPRISE FUNDS

(Funds 51 and 52)

Enterprise Funds account for operations funded and operated in a manner similar to private business enterprises, where the intent of the County is to recover, through user charges, the cost of providing services to users of the service.

The Water and Sewer Enterprise Fund (Fund 51) accounts for the provision of water and sewer services to residents of Henrico County, and wholesale service to Hanover and Goochland Counties. The Belmont Park Golf Course Enterprise Fund (Fund 52) accounts for the operations of Belmont Park Golf Course. All activities necessary to provide such services are accounted for in the respective funds, including operations, maintenance, construction, financing, and related debt service.

The three-year forecast narrative of revenues and expenditures has been prepared for each of these operations separately, using the same basic framework as the General Fund.

Water and Sewer Operations (Fund 5101)

Revenues

Assumptions

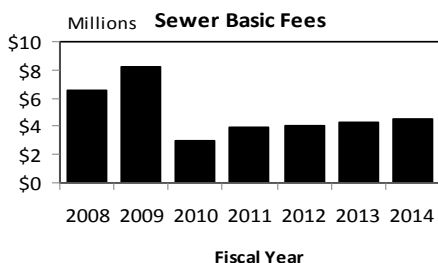
Water and Sewer Enterprise Fund revenues are forecasted with increases in customer growth necessary to keep pace with routine operating costs, expansion and rehabilitation of infrastructure and the debt service payments on outstanding debt. Forecasted revenues also satisfy the requirements of the County's revenue bond covenants for current and future debt issues.

Sale of Water for FY2011-12 is based on a 5.0 percent increase in water rates. Forecasts for FY2012-13 and FY2013-14 were prepared using 5.0 percent rate increases in each year. These increases will support inflationary growth in expenditures and planned rehabilitation projects, as well as future new capital infrastructure needs, including the Cobbs Creek Reservoir project scheduled to begin in FY2011-12.

Water Basic Fees are those fees collected for initial connection to the County's water distribution system. This revenue category mirrors economic development activity and all collections are used to fund the cost of expanding

the County's water system. Forecasted revenue collections in FY2011-12 reflect an increase of 5.0 percent in water connection fees. The forecast for Water Basic Fees also reflects 5.0 percent rate increases in each year, with little consideration of the performance of the commercial and residential real estate markets due to the uncertainty in this area.

Sale of Sewer Services for FY2011-12 is based on a 5.0 percent increase in sewer rates. Like Sale of Water Service revenues, noted above, forecasts for FY2012-13 and FY2013-14 were prepared using 5.0 percent rate increases in each year. The majority of these increases will be used to support growth in expenditures and capital infrastructure projects and rehabilitation.



Fiscal Years 2011 through 2014 are estimated.

eastern Henrico County (these bonds were refunded in FY2009-10). In addition to payment of the debt service, the General Fund is also responsible for the annual repayment of the \$9.6 million loan made in FY1996-97 to the Capital Projects Fund for additional infrastructure built at the Elko Tract site. The County's year-end financial statements disclose this loan as an asset in the Water and Sewer Enterprise Fund and a liability in the Capital Projects Fund; however, the General Fund is responsible for repaying the debt. The annual repayment of this loan was included in the General Fund transfer amount in FY1998-99. However, from FY1999-00 through FY2009-10, this amount was reflected as an expenditure in the General Fund for budget purposes, therefore, was not reflected in the General Fund transfer amount. With the refunding of the \$32.0 million subordinate Water and Sewer Revenue bonds in FY2009-10, the structure of these payments from the General Fund will again be solely reflected in the General Fund transfer amount.

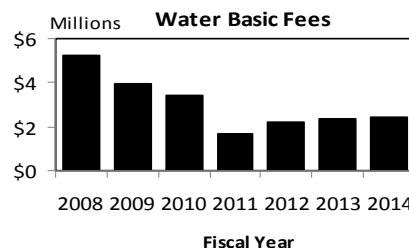
Budget for Capital Use projections represent non-bond resources, available from Water and Sewer Operations to supplement utility infrastructure rehabilitation, expansion and other capital improvement activities. The transfer amounts for the forecast period reflect the planned appropriations for capital improvement projects to be supported by non-bond resources.

Expenditures

Assumptions

Expenditures developed for the forecast period represent total operating costs for providing water and sewer service to County residents. Operating costs include infrastructure maintenance, operation of the water and sewer systems and debt service on bond issues.

Results of Operations (Prior to Capital Expenses) reflect the anticipated variance of revenues less expenditures.



Fiscal Years 2011 through 2014 are estimated.

Sewer Basic Fees are those fees collected for initial connection to the County's sewage system. This revenue category mirrors economic development activity and all collections are used to fund the cost of expanding the County's sewer system. Like Water Basic Fees, as noted above, forecasted revenue collections in FY2011-12 reflect an increase of 5.0 percent in connection fees. This same 5.0 percent increase has been forecasted in FY2012-13 and FY2013-14.

(To) From General Fund includes the General Fund payment to support debt service on the portion of the \$32.0 million subordinate Water and Sewer Revenue bonds sold in FY1997-98 to fund the infrastructure improvements of the Elko Tract in

Water and Sewer Construction Fund (Fund 5102)

Capital Budget Expenditures

Assumptions

Approved/Proposed Capital Projects are expected to total \$100.8 million in FY2011-12, \$40.3 million in FY2012-13, and \$41.5 million in FY2013-14. These projections represent expenditures for projects planned in future years listed in the Capital Projects Fund section of this budget document.

Continuing Capital Projects represent the expenditures in construction appropriations based on projected resources and corresponding expenditures throughout the forecast period.

Capital Budget Resources

Assumptions

Water and Sewer Revenue projections represent non-bond resources transferred from the Operations subfund to the Construction subfund to support costs related to system rehabilitation, expansion and improvements. This transfer includes the connection fees paid by real-estate developers and new customers for initial connection to the County's water and sewer systems.

Revenue Bonds (2006 Series) represents the proceeds from the sale of \$80.0 million in revenue bonds issued in 2006 to finance necessary new and rehabilitation capital projects.

ARRA – Federal Stimulus Funds reflect the utilization of proceeds from the issuance of \$9.8 million in Recovery Zone Economic Development Bonds (RZEDBs) in December 2009. RZEDBs are taxable bonds that were created by the American Reinvestment and Recovery Act (ARRA) in February 2009 to assist local and state governments in their economic development initiatives in distressed areas. In addition to the RZEDBs, Water and Sewer has also appropriated \$300,000 in ARRA funding through the Virginia Department of Environmental Quality for extension of water to homes with petroleum contaminated wells.

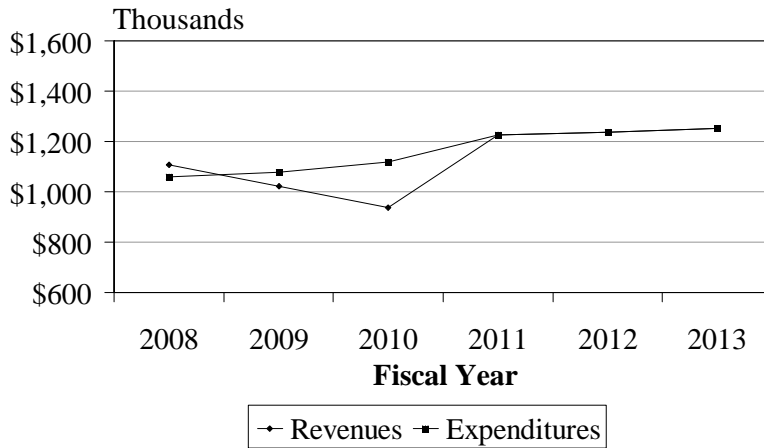
Water & Sewer Enterprise Fund Forecast

	FY 09-10 Actual	FY 10-11 Original	FY 11-12 Forecast	FY 12-13 Forecast	FY 13-14 Forecast
Water & Sewer Operations Subfund					
Revenues:					
Sale of Water	\$ 40,257,116	\$ 41,852,811	\$ 44,258,630	\$ 46,471,562	\$ 48,795,140
Water Connection Fees	3,420,228	1,706,880	2,216,550	2,327,378	2,443,746
Sale of Sewer Services	39,414,659	42,453,050	43,579,501	45,758,476	48,046,400
Sewer Connection Fees	2,977,783	3,941,635	4,076,998	4,280,848	4,494,890
Miscellaneous Revenue	7,129,623	4,192,790	3,869,880	4,063,374	4,266,543
Transfer from General Fund	661,231	772,219	756,608	772,219	772,219
Total Revenue	\$ 93,860,640	\$ 94,919,385	\$ 98,758,167	\$ 103,673,856	\$ 108,818,938
Expenditures:					
Personnel	\$ 19,246,442	\$ 19,516,872	\$ 19,760,885	\$ 20,156,103	\$ 20,559,225
Operating	34,936,809	36,663,397	37,452,511	38,201,561	38,965,592
Capital Outlay	578,170	805,674	785,527	801,238	817,262
Sub-Total	54,761,421	56,985,943	57,998,923	59,158,901	60,342,079
Debt Service	15,872,176	14,783,503	20,391,286	16,703,903	16,515,628
Total Expenditures	\$ 70,633,597	\$ 71,769,446	\$ 78,390,209	\$ 75,862,804	\$ 76,857,707
Results of Operations (Prior to Capital Expenses)	23,227,043	23,149,939	20,367,958	27,811,051	31,961,230
Budget For Capital Use (Below)	n/a	(35,079,129)	(100,827,965)	(40,254,669)	(41,510,791)
Capital Budget Expenditures					
	FY 09-10 Actual	FY 10-11 Forecast	FY 11-12 Forecast	FY 12-13 Forecast	FY 13-14 Forecast
Approved/Requested Capital Projects		36,629,912	100,827,965	40,254,669	41,510,791
Continuing Capital Projects (Previously Approved) (1)	41,921,379	19,148,260			
Total Capital	41,921,379	55,778,172	100,827,965	40,254,669	41,510,791
Capital Budget Resources					
Water and Sewer Revenues	26,259,220	35,079,129	100,827,965	40,254,669	41,510,791
Revenue Bonds (2006 Series)	15,631,906	10,629,296	0	0	0
ARRA - Federal Stimulus Funds	30,253	10,069,747	0		
Total Capital Budget Resources	41,921,379	55,778,172	100,827,965	40,254,669	41,510,791

Notes:

(1) This number plus the budget figure reflects Utilities estimate of capital spending from previously Board approved capital projects. FY2009-10 represents actual spending, as per the 2009 audit.

Three Year Forecast Revenues and Expenditures Enterprise Fund – Belmont Golf Course



Fiscal Years 2011 through 2014 are estimated.

Belmont Park Golf Course Operations (Fund 5201)

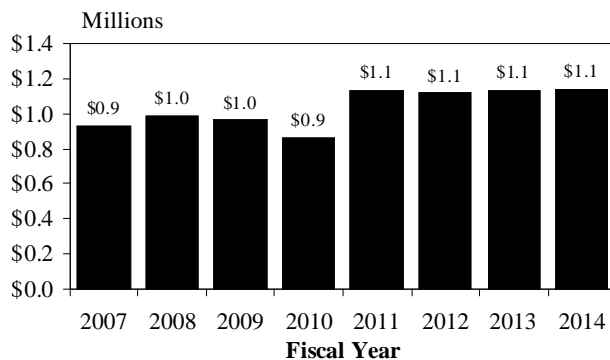
Revenues

Assumptions

Golf Course Fees revenue for FY2012 is estimated to decrease from the FY2011 projection to \$1,120,136, as there is no increase for greens fees in FY2012. The revenue assumptions in this forecast are based on the current rate structure, which was restructured in FY2009 to help attract golfers during times that are historically not busy. Revenue projections for FY2013 and FY2014 are based upon modest one percent growth.

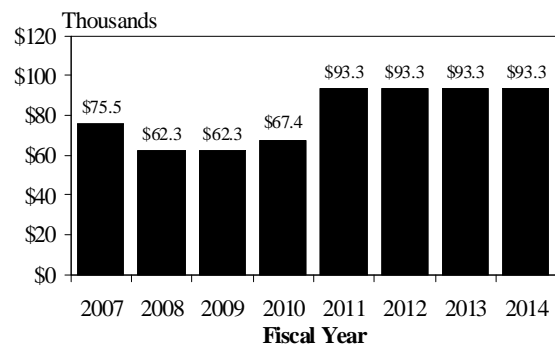
Snack Bar Revenues prior to January 1, 2000 were a percentage of gross receipts from the vendor operating the snack bar. Since January 1, 2000, the County operates the Snack Bar with departmental employees and collects all revenues from snack bar sales. Revenues are projected at \$93,316 for FY2012, FY2013, and FY2014.

Golf Course Fees



Fiscal Years 2011 through 2014 are estimated.

Snack Bar Revenues



Fiscal Years 2011 through 2014 are estimated.

(To) From Golf Course Retained Earnings is Retained Earnings from golf course operations to be used for future golf course operations, maintenance or improvements. During the forecast period there is no scheduled use of Retained Earnings.

Expenditures

Assumptions

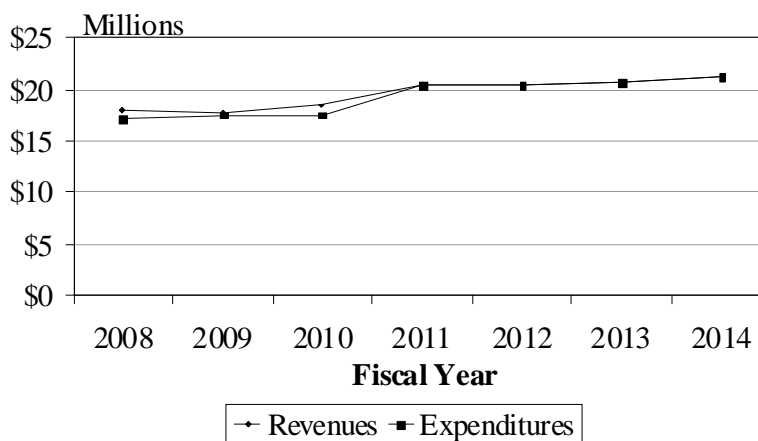
Loan Repayment is the repayment of a loan from the General Fund for physical improvements to Belmont Golf Course. Currently the golf course has an outstanding loan with the General Fund for a total of \$135,000 for physical improvements to the golf course. The loan is to be repaid in annual installments of \$22,500.

Operational Expenses include modest increases for course maintenance and enhancements. The forecast period establishes a balance between golf course recurring revenues and expenses in future years.

Belmont Golf Course Enterprise Fund Forecast					
	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14
	Actual	Original	Forecast	Forecast	Forecast
Belmont Golf Course Operations					
Revenues:					
Golf Course Fees*	\$ 868,004	\$ 1,133,269	\$ 1,120,136	\$ 1,132,046	\$ 1,144,074
Snack Bar Revenues	67,368	93,316	93,316	93,316	93,316
Gain/Loss on Sale of Property	0	0	0	0	0
Recoveries & Rebates	354	0	0	0	0
Total Revenues	<u>\$ 935,726</u>	<u>\$ 1,226,585</u>	<u>\$ 1,213,452</u>	<u>\$ 1,225,362</u>	<u>\$ 1,237,390</u>
Plus:					
(To)From Golf Course Retained Earnings	183,155	0	0	0	0
Total Resources	<u>\$ 1,118,881</u>	<u>\$ 1,226,585</u>	<u>\$ 1,213,452</u>	<u>\$ 1,225,362</u>	<u>\$ 1,237,390</u>
Expenditures:					
Loan Repayment*	\$ 0	\$ 22,500	\$ 22,500	\$ 22,500	\$ 22,500
Operational Expenses	1,118,881	1,204,085	1,190,952	1,202,862	1,214,890
Total Expenditures	<u>\$ 1,118,881</u>	<u>\$ 1,226,585</u>	<u>\$ 1,213,452</u>	<u>\$ 1,225,362</u>	<u>\$ 1,237,390</u>
Total Net Assets	<u>\$ 1,270,051</u>	<u>\$ 1,270,051</u>	<u>\$ 1,270,051</u>	<u>\$ 1,270,051</u>	<u>\$ 1,270,051</u>

**Loan repayment is to pay back a loan of \$135,000 borrowed from the General Fund for greens restoration in FY2002-03.*

Three Year Forecast Revenues and Expenditures Central Automotive Maintenance



Fiscal Years 2011 through 2014 are estimated. Revenues exclude transfers from other funds.

CENTRAL AUTOMOTIVE MAINTENANCE

(Fund 61)

Central Automotive Maintenance, which operates as an Internal Service Fund, accounts for the County's Central Automotive Maintenance operation. Resources for this fund are primarily from interdepartmental charges.

Revenues

Assumptions

Charges for Automotive Maintenance - West are billings by Central Automotive Maintenance (CAM) for work performed at the maintenance facility on Woodman Road, in the western part of the County. Projected billing for FY2011-12 is \$6,000,000. Projected billings for FY2012-13 and FY2013-14 are forecasted at \$6,180,000 and \$6,365,400 respectively. Increases are based on the anticipated actual billings for the maintenance facility during this period.

Charges for Automotive Maintenance - East are billings by CAM for work performed at the maintenance facility on Dabbs House Road, in the eastern portion of the County. Projected billing for FY2011-12 is \$1,420,000. Projected billings for FY2012-13 and FY2013-14 are \$1,462,600 and \$1,506,478 respectively, representing a 3.0 percent annual increase.

Charges for Use of Motor Pool are collected from departments using County motor pool vehicles. These charges offset maintenance and operational expenses as well as accumulating a reserve for replacement of motor pool vehicles. The vehicle replacement reserve is based on replacing the vehicles after 80,000 miles. Projected billing for the use of vehicles in FY2011-12 is \$4,123,235. FY2012-13 and FY2013-14 are \$4,288,164 and \$4,459,691 respectively, assuming an annual 4.0 percent increase due to projected vehicle replacements and the rising cost of repairs.

Charges for Gasoline represents the charge for gasoline and diesel fuel used by County departments. A nominal mark-up on top of the wholesale price is used to offset CAM's maintenance and operational expenses in this area. The recent increases in the wholesale cost of gasoline reflect the volatility of this commodity therefore the projections for gasoline at this moment remain flat.

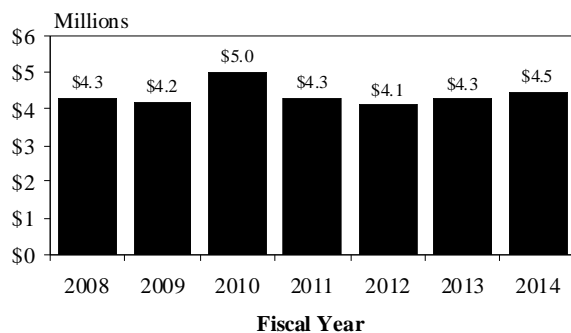
(To) From General Fund is the transfer from the General Fund for the initial purchase of new motor pool vehicles. No transfers are anticipated during the forecasted period as the purchase of new motor pool vehicles will be funded with generated revenues and retained earnings.

(To) From Contributions in Aid is a transfer to CAM of a vehicle purchased by a department. No transfers are anticipated during the forecast period.

(To) From Capital Projects is the transfer from CAM's retained earnings to the Capital Projects Fund for purchase of a one-time Capital need. In FY2009-10, CAM replaced its fuel management system to be funded with accumulated retained earnings. There is no current or future planned use of retained earnings.

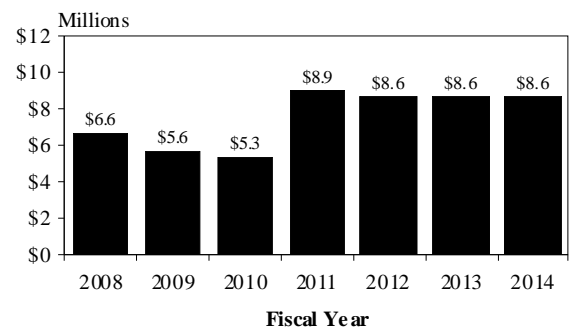
(To) From Internal Service Fund Retained Earnings is used to accumulate a reserve for replacement of motor pool vehicles when the vehicles reach the end of their useful life. Due to recent exceptional increases in the cost of gasoline and diesel, Internal Service Fund Retained Earnings have also been utilized to offset a portion of the additional expenses. It should be noted that a portion of the motor pool charge is also set aside for the replacement of vehicles.

Charges for Use of Motor Pool



Fiscal Years 2011 through 2014 are estimated.

Charges for Gasoline



Fiscal Years 2011 through 2014 are estimated.

Expenditures

Assumptions

The development of the Central Automotive Maintenance Internal Service Fund budget assumes revenues and transfers will support expenditures in future years. For FY2012-13 and FY2013-14, Internal Service Fund expenses are projected to grow at an annual rate of 1.9 percent.

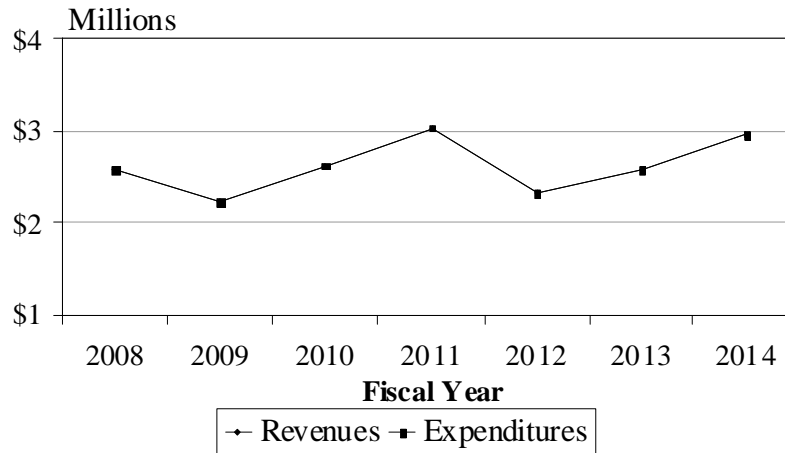
The proposed level of operational funding allows for increases in personnel costs such as changes in the cost of benefits and provides adequate operational adjustments necessary to overcome increases of vehicle repairs.

Retained Earnings, June 30, 2010, is \$8,379,490. The impact of anticipated resources and expenditures on the ending balance is projected for each fiscal year of the forecast period.

Central Automotive Maintenance Internal Service Fund Forecast

	<u>FY09-10</u> <u>Actual</u>	<u>FY10-11</u> <u>Forecast</u>	<u>FY11-12</u> <u>Forecast</u>	<u>FY12-13</u> <u>Forecast</u>	<u>FY13-14</u> <u>Forecast</u>
Revenues:					
Charges for Auto Maint West	\$ 6,444,644	\$ 5,600,000	\$ 6,000,000	\$ 6,180,000	\$ 6,365,400
Charges for Auto Maint East	1,517,028	1,420,000	1,420,000	1,462,600	1,506,478
Charges for Use of Motor Pool	5,015,069	4,300,000	4,123,235	4,288,164	4,459,691
Charges for Gasoline	5,251,472	8,934,772	8,589,596	8,589,596	8,589,596
Miscellaneous Revenues	316,776	247,500	247,500	247,500	247,500
Gain/Loss on Sale of Property	<u>(136,950)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$18,408,039</u>	<u>\$20,502,272</u>	<u>\$20,380,331</u>	<u>\$20,767,860</u>	<u>\$21,168,665</u>
 (To) From General Fund	 0	 0	 0	 0	 0
(To) From Contributions in Aid	0	0	0	0	0
(To) From Capital Projects	(590,600)	0	0	0	0
(To) From Retained Earnings	<u>(337,788)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Resources	<u>\$17,479,651</u>	<u>\$20,502,272</u>	<u>\$20,380,331</u>	<u>\$20,767,860</u>	<u>\$21,168,665</u>
 Expenditures:					
Central Automotive Maintenance	<u>\$17,479,651</u>	<u>\$20,502,272</u>	<u>\$20,380,331</u>	<u>\$20,767,860</u>	<u>\$21,168,665</u>
Total Expenditures	<u><u>\$17,479,651</u></u>	<u><u>\$20,502,272</u></u>	<u><u>\$20,380,331</u></u>	<u><u>\$20,767,860</u></u>	<u><u>\$21,168,665</u></u>
 Retained Earnings June 30					
	<u><u>\$ 8,379,490</u></u>	<u><u>\$ 8,379,490</u></u>	<u><u>\$ 8,379,490</u></u>	<u><u>\$ 8,379,490</u></u>	<u><u>\$ 8,379,490</u></u>

Three Year Forecast Revenues and Expenditures Technology Replacement



Fiscal Years 2011 through 2014 are estimated.

TECHNOLOGY REPLACEMENT FUND

(Fund 6101)

The Technology Replacement Fund, established in FY2001 as an Internal Service Fund, was created to develop a method of replacing computer equipment on a regular schedule. The goal of the fund is to establish a means to pay for computer equipment and reduce the impact of large one-time computer purchases in a given year. Resources for this fund come from interdepartmental charges and the General Fund. In FY2004, the Technology Replacement Fund approach obtained a National Association of Counties award for Financial Innovation. Prior to that, American City and County magazine cited this funding mechanism as an example of how to minimize incremental expenditure increases for technology related items.

Revenues

Assumptions

Accumulated Technology Replacement represents the funds collected from the departments participating in the technology replacement program. Charges are collected to pay for replacement of computer equipment in the future.

(To) From Technology Replacement Fund Retained Earnings is used to accumulate a reserve for the purchase of replacement computer equipment, when the original equipment has reached the end of its useful life.

Expenses

Assumptions

The development of the Technology Replacement Fund budget assumes revenues and transfers will support expenditures in future years. For FY2012, the Technology Replacement Fund expenses are projected to be \$2,329,230.

For FY2013, forecasted expenses are projected to be \$2,576,057. In FY2014, expenses are projected to be \$2,964,104. The FY2013 and FY2014 forecasts assume that all items in the Fund, which qualify for replacement, will be purchased on a pre-determined schedule.

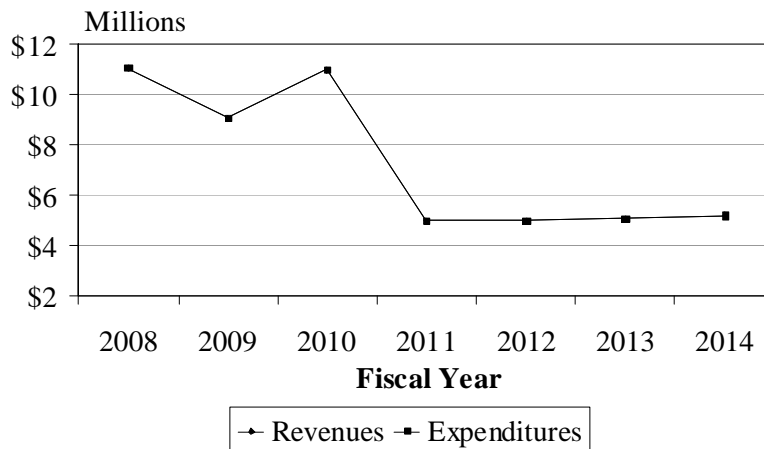
Retained Earnings, June 30, 2010, is \$9,612,996. The impact of anticipated resources, including operating transfers and expenditures on the ending balance, is projected for each fiscal year of the forecast period.

Technology Replacement Internal Service Fund Forecast

	FY 09-10 Actual	FY 10-11 Original	FY 11-12 Forecast	FY 12-13 Forecast	FY 13-14 Forecast
Revenues:					
Accumulated Technology Replacement - General Fund	\$ 2,593,923	\$ 2,026,475	\$ 1,759,995	\$ 1,759,995	\$ 1,759,995
Accumulated Technology Replacement - Special Revenue	74,487	59,590	44,692	44,692	44,692
Accumulated Technology Replacement - Belmont	4,870	3,896	2,922	2,922	2,922
Accumulated Technology Replacement - JRJDC	3,430	2,744	2,058	2,058	2,058
Accumulated Technology Replacement - Risk Mgmt	3,734	2,987	2,240	2,240	2,240
(To) From Retained Earnings - Technology Replacement	(61,832)	939,316	517,323	764,150	1,152,197
Total Revenues	\$ 2,618,612	\$ 3,035,008	\$ 2,329,230	\$ 2,576,057	\$ 2,964,104
Expenditures:					
Technology Equipment	\$ 2,618,612	\$ 3,035,008	\$ 2,329,230	\$ 2,576,057	\$ 2,964,104
Total Expenditures	\$ 2,618,612	\$ 3,035,008	\$ 2,329,230	\$ 2,576,057	\$ 2,964,104
Retained Earnings June 30*	\$ 9,612,996	\$ 8,673,680	\$ 8,156,357	\$ 7,392,207	\$ 6,240,010

*Retained Earnings are designated for future technology replacement costs. There is no undesignated balance within the Technology Replacement Fund.

Three Year Forecast Revenues and Expenditures Risk Management



Fiscal Years 2011 through 2014 are estimated.

RISK MANAGEMENT

(Fund 6301)

The Risk Management Fund was established in FY2004-05 as an Internal Service Fund. Prior to this date, costs associated with this function were expended in the General Fund. Because Risk Management provides services to all agencies, including education, across all funds, the budget is more properly captured within the Internal Service Fund Series. Resources for this fund are provided by a transfer from the General Fund and interdepartmental charges from Public Utilities. Risk Management provides protection from accidental losses arising out of the County and Public School operations, including workers' compensation, automobile, property, and liability claims.

Revenues

Assumptions

Public Utilities Charges forecast is based on actual claims cost and a pro rata share of the insurance costs expended by the Department of Public Utilities in the Water and Sewer Enterprise Fund (Fund 5101). Each fiscal year, the Risk Management Internal Service Fund receives a reimbursement from expenses associated with the Public Utilities' Water and Sewer Enterprise Fund in the prior fiscal year. Projected billings for FY2012-13 and FY2013-14 remain level with the FY2011-12 projection at \$629,403 due to the uncertainty of the number of claims annually.

(To) From General Fund represents the transfer from the General Fund for approximately 87.6 percent of the forecasted revenues associated with this fund. A transfer from the General Fund totaling \$4,396,790 is anticipated for FY2010-11, with a 2.0 percent increase projected for FY2012-13 and FY2013-14.

Expenditures

Assumptions

The development of the Risk Management Fund budget assumes revenues and transfers will support expenditures in future years. For FY2012-13 and FY2013-14, Internal Service Fund expenses are projected to grow at an annual rate of approximately 1.8 percent. Due to the unpredictable nature of expenditures, the budget is kept relatively flat

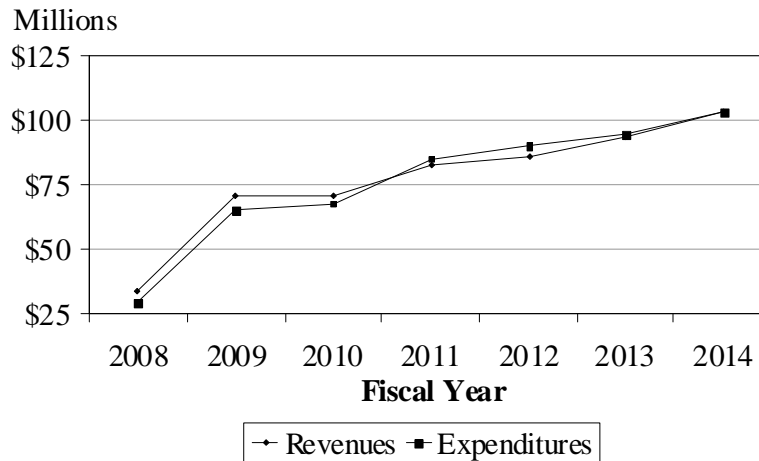
with only a small incremental increase built into the forecast. The budget is amended annually on a case-by-case basis with funding provided by the Self-Insurance Reserve, which is a designated reserve within the County's General Fund Balance.

Self-Insurance Reserve, June 30, 2010, totals \$10,000,000. The County has designated this amount in the General Fund's fund balance specifically for self-insurance.

Risk Management Internal Service Fund Forecast

	FY09-10 Actual	FY10-11 Original	FY11-12 Forecast	FY12-13 Forecast	FY13-14 Forecast
Revenues:					
Public Utilities Charges	\$ 839,156	\$ 620,577	\$ 629,403	\$ 629,403	\$ 629,403
Total Revenues	\$ 839,156	\$ 620,577	\$ 629,403	\$ 629,403	\$ 629,403
 (To) From General Fund	\$ 10,125,521	\$ 4,364,026	\$ 4,369,790	\$ 4,457,186	\$ 4,546,330
Total Resources	<u>\$ 10,964,677</u>	<u>\$ 4,984,603</u>	<u>\$ 4,999,193</u>	<u>\$ 5,086,589</u>	<u>\$ 5,175,733</u>
 Expenditures:					
Risk Management	\$ 10,964,677	\$ 4,984,603	\$ 4,999,193	\$ 5,086,589	\$ 5,175,733
Total Expenditures	<u>\$ 10,964,677</u>	<u>\$ 4,984,603</u>	<u>\$ 4,999,193</u>	<u>\$ 5,086,589</u>	<u>\$ 5,175,733</u>
 Self-Insurance Reserve	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>

Three Year Forecast Revenues and Expenditures Healthcare Fund



This program was established in January 2008 and revenues and expenditures for FY2008 reflect a half year. Fiscal Years 2011 through 2014 are estimated.

HEALTHCARE FUND

(Fund 6401)

Effective January 1, 2008, Henrico County's healthcare program transitioned to a self-insurance program. Prior to this transition, the County's healthcare program operated as a fully insured program, which, in exchange for the payment of a premium, an insurance company assumed the risk, administered the program, and paid all claims. With the transition to a self-insured program, the County pays claims and third party administrative fees. Self-insurance allows the County to more fully control all aspects of the plan, including setting rates to smooth out the impact of cost increases on employees and the County, while maintaining adequate funding to cover claims, expenses, and reserves. The cost to fund healthcare expenses is covered by payments from active employees, the County and the School Board, retirees, and retention of interest earnings. The County and Schools contributions are budgeted in departmental budgets, and the Healthcare Fund charges departments based upon actual participants in the program. Revenues to the Healthcare Fund in excess of expenditures accumulate in a premium stabilization reserve, which allows the County to maintain rate increases at manageable levels.

Revenues

Assumptions

County Contribution – Active reflects the County's contributions for active General Government and Schools employees budgeted within each respective department. For General Government employees, the County calculates a blended rate for each County employee for healthcare calculation purposes. Schools, on the other hand, estimates healthcare costs for each individual eligible employee based on the plan in which they participate. The forecast for FY2011-12 reflects an increase in the County's contribution for active employees of 5.0 percent. This is due to the County picking up the entire cost increase of healthcare for active employees in calendar year 2011. The forecasts for FY2012-13 and FY2013-14 assume rate increases of 6.0 percent annually, as well as 2.0 percent annual enrollment growth.

Employee Contribution represents contributions from active General Government and Schools employees toward their respective individual healthcare plans. The forecast for FY2011-12 reflects an overall increase of 3.8 percent, which assumes a rate increase of 7.5 percent in calendar year 2012 (which will impact half of FY2011-12). It should be noted that the County absorbed the entire rate increase for active employees in calendar year 2011, which is

reflected in the projection for FY2011-12. The forecasts for FY2012-13 and FY2013-14 assume rate increases of 6.0 percent annually, as well as 2.0 percent annual enrollment growth.

Retiree Contribution reflects rate payments by County retirees under 65 years of age that continue to participate in the County's healthcare program. The forecast for FY2011-12 reflects an increase of 3.8 percent, assuming a rate increase of 7.5 percent in calendar year 2012 (which would impact half of FY2011-12). The forecasts for FY2012-13 and FY2013-14 assume rate increases of 6.0 percent, respectively.

Retiree Subsidy and **Disabled Subsidy** represent County contributions to retiree healthcare plans. The Disabled Subsidy reflects the healthcare subsidy provided to disabled retirees prior to January 1, 2003. The Disabled Subsidy forecast for FY2011-13 through FY2013-14 remains relatively flat. For retirees after January 1, 2003, the healthcare supplement is referred to as a Retiree Subsidy, and is provided to County retirees with a minimum of 20 years in the Virginia Retirement System (VRS) of which 10 years must be with Henrico County. The total subsidy is calculated based on each full year of VRS service. The forecast for the Retiree Subsidy reflects an 8.0 percent increase in FY2011-12, and 5.0 percent annual increases in FY2012-13 and FY2013-14.

COBRA reflects rate payments from eligible COBRA participants. Under the Consolidated Omnibus Reconciliation Act of 1985 (COBRA), extended coverage for healthcare may be purchased (at the participant's expense) for former participants of the County's healthcare program and their qualified beneficiaries, if coverage is lost under a group plan due to termination of employment or a reduction of work hours. The cost to COBRA participants is the full plan rate for that calendar year.

Recoveries and Rebates represent small, one-time miscellaneous recovered cost and rebate revenues related to the Healthcare Fund.

Federal Reimbursements (ERRP) reflects the anticipated utilization of reimbursements from the federal government through the Early Retiree Reinsurance Program, authorized in the Affordable Care Act. ERRP provides reimbursements to participating employment-based plans for a portion of the costs of health benefits for pre-65 retirees and their spouses, surviving spouses, and dependents. The County will utilize these funds to lower healthcare rate increases in calendar year 2012.

Interest Income reflects interest earned throughout the fiscal year on bank balances relating to the Healthcare Fund. The annual forecast for this revenue remains flat at \$75,000.

(To) From Premium Stabilization Reserve reflects the amount of funding either added to or utilized from the Premium Stabilization Reserve in each respective fiscal year. The FY2011-12 Proposed Budget assumes the use of \$4.0 million from the Premium Stabilization Reserve to help offset the healthcare cost increase to the County. The forecast for FY2012-13 assumes the utilization of \$1.0 million from the Premium Stabilization Reserve. To forecast the amount of funding to be added to or utilized from the Premium Stabilization Reserve is a difficult task, as the amount of claims paid by the Healthcare Fund fluctuates each fiscal year. It must be noted that consideration of funding additions to or subtractions from the Premium Stabilization Reserve must be recognized when calendar year plan rates are established. As such, unless there is a planned utilization of funds from the reserve any given year, the intent of the Healthcare Fund is to generate a positive revenue variance as compared to expenditures, yielding an addition to the Premium Stabilization Reserve.

Expenditures

Assumptions

Claims expenditures reflect the County's cost of service for each participant in the program. In other words, these expenditures reflect the cost of healthcare services and pharmaceutical requirements for enrolled participants outside of any co-pay the program participant is responsible for per the defined benefit structure. The forecast for FY2011-12 assumes an increase in claims expenditures by approximately 5.6 percent, and the forecast for FY2012-13 and FY2013-14 assumes an increase of 5.5 percent and 5.8 percent.

Other Administrative Fees represent the cost of third party administrative fees, the costs of an annual actuarial study and claims audit, and the premium payment for excess risk insurance. The County's excess risk insurance protects the County from any individual claim greater than \$500,000 and total annual payments that exceed 125.0 percent of actuarially projected annual claims. The forecast for FY2011-12 projects a 3.9 percent increase in other administrative fee costs. The forecasts for FY2012-13 and FY2013-14 assume an annual 3.0 percent increase in other administrative fee costs.

Premium Stabilization Reserve (PSR)

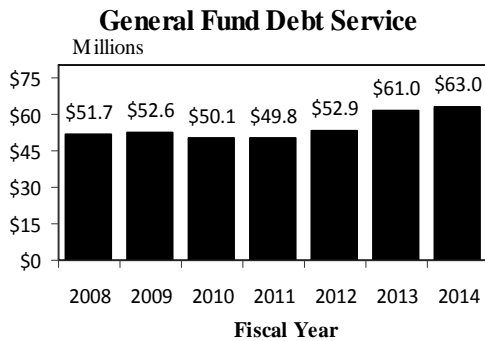
The Healthcare Fund's **Premium Stabilization Reserve (PSR)** reflects the accumulation of annual revenues collected in excess of expenditures. This reserve allows the County to maintain annual rate increases at manageable levels. For example, in FY2011-12, \$4.0 million from the PSR is being utilized in the Annual Fiscal Plan to prevent additional costs to the County in this difficult economic environment and to avoid an increase in active employee rates. As of June 30, 2010, the PSR has a balance of \$15,791,646, prior to consideration of the County's "Incurred But Not Reported" liability referenced below.

Incurred But Not Reported (IBNR) represents an actuarially estimated dollar amount of claims that have been incurred by program participant but have not yet been reported by the healthcare provider as of June 30, 2010. Because these claims have not yet been reported, IBNR must be included as an offset to the Premium Stabilization Reserve to accurately calculate the "**Uncommitted PSR,**" which reflects the true available balance that can be utilized. IBNR also reflects the total cost to the County if the decision were made to revert back to a fully insured healthcare program. Because IBNR will fluctuate annually, and is difficult to predict, this forecast reflects no change from the IBNR estimate as of June 30, 2010 in future years.

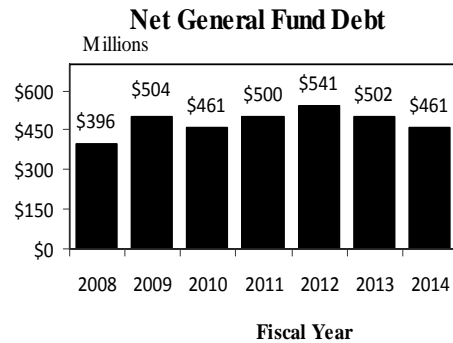
Healthcare Internal Service Fund Forecast

	FY09-10 Actual	FY10-11 Original	FY11-12 Forecast	FY12-13 Forecast	FY13-14 Forecast
Revenues:					
County Contribution - Active	\$ 50,426,813	\$ 59,870,318	\$ 62,860,858	\$ 67,889,727	\$ 73,320,905
Employee Contribution	\$ 14,248,828	\$ 15,277,730	\$ 15,850,645	\$ 17,118,697	\$ 18,488,192
Retiree Contribution	\$ 4,933,916	\$ 5,735,340	\$ 5,950,415	\$ 6,307,440	\$ 6,685,886
Retiree Subsidy	\$ 597,254	\$ 562,134	\$ 606,967	\$ 637,315	\$ 669,181
Disabled Subsidy	\$ 158,809	\$ 280,432	\$ 268,870	\$ 270,000	\$ 270,000
COBRA	\$ 192,521	\$ 279,952	\$ 290,450	\$ 313,686	\$ 338,781
Recoveries and Rebates	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Reimbursements (ERRP)	\$ -	\$ -	\$ -	\$ 1,000,000	\$ -
Interest Income	\$ 77,973	\$ 150,000	\$ 75,000	\$ 75,000	\$ 75,000
Total Revenues	\$ 70,636,114	\$ 82,155,906	\$ 85,903,205	\$ 93,611,864	\$ 99,847,945
(To) From Premium Stabilization Fund	\$ (3,227,600)	\$ 3,000,000	\$ 4,000,000	\$ 1,000,000	\$ -
Total Resources	\$ 67,408,514	\$ 85,155,906	\$ 89,903,205	\$ 94,611,864	\$ 99,847,945
Expenditures:					
Claims	\$ 62,718,936	\$ 80,055,906	\$ 84,603,205	\$ 89,152,864	\$ 94,225,175
Other Administrative Fees	\$ 4,689,578	\$ 5,100,000	\$ 5,300,000	\$ 5,459,000	\$ 5,622,770
Total Expenditures	\$ 67,408,514	\$ 85,155,906	\$ 89,903,205	\$ 94,611,864	\$ 99,847,945
Premium Stabilization Reserve (PSR):					
Premium Stabilization Reserve (PSR)	\$ 15,791,646	\$ 12,791,646	\$ 8,791,646	\$ 7,791,646	\$ 7,791,646
Incurred But Not Reported (IBNR)	\$ (6,764,000)	\$ (6,764,000)	\$ (6,764,000)	\$ (6,764,000)	\$ (6,764,000)
Uncommitted PSR	\$ 9,027,646	\$ 6,027,646	\$ 2,027,646	\$ 1,027,646	\$ 1,027,646

Three Year Forecast Revenues and Expenditures Debt Service Fund



Fiscal Years 2011 through 2014 are estimated.
Reflects transfer from the County's General Fund.



Fiscal Years 2011 through 2014 are estimated.

DEBT SERVICE FUND

(Fund 71)

The Debt Service Fund accounts for the accumulation of financial resources for payment of interest and principal on all governmental fund long-term debt, except accrued compensated absences and capital lease obligations, which are paid by the fund incurring these expenses. Debt Service Fund resources can include transfers from the General Fund and Capital Projects Fund. Miscellaneous revenue includes capitalized interest and reimbursements from other localities and the State. Debt service requirements for bonds issued by the County's Water and Sewer Utility are accounted for in the Enterprise Fund. Debt service on bonds issued by the James River Juvenile Detention Center Commission (JRJDC), for construction of the facility, is accounted for in the JRJDC Agency Fund. However, the outstanding principal and debt service of the JRJDC are considered County obligations when calculating the County's debt ratios.

Revenues

Assumptions

(To) From General Fund represents the transfer of local resources to support debt service requirements. Debt service requirements in fiscal years 2011 through 2014 are calculated on existing debt service and anticipated debt service. The County citizens approved a General Obligation (G.O.) Bond referendum that was included on the November 2000 ballot. The referendum included School construction projects totaling \$170,500,000, and General Government projects totaling \$66,500,000. The G.O. Bond funding for these projects was issued between FY2001 and FY2007. The County citizens again approved a G.O. Bond referendum that was included on the March 2005 ballot. The referendum included School construction projects totaling \$220,000,000, and General Government projects totaling \$129,300,000. The funding for these projects is anticipated from seven G.O. Bond issues between FY2006 and FY2013.

The first G.O. Bond issue, which occurred in the spring of 2001, provided \$37,110,000 of funding for School projects. The funds were appropriated to continue construction of a new high school, purchase land for a new middle school, construction of a new elementary school, and fund additions and renovations to three school facilities. The FY2002 G.O. Bond issue totaled \$27,035,000. The funding was appropriated for School and General Government projects. The School projects included completion of the new high school and an elementary school,

begin the design for a new middle school, purchase land for an elementary school, as well as begin renovations and additions to two elementary schools. The General Government projects included construction of a new fire station and library, continue construction of John Rolfe Parkway, purchase land for a new park, begin design work for the development of three park facilities, and begin the design of a new recreation center.

In FY2003, the County refinanced the 1993 Public Improvement Refunding Bonds and the 1993 Virginia Public School Authority (VPSA) Bonds and issued \$50,230,000 of new G.O. Bonds for a total debt issue of \$107,545,000. Due to favorable interest rates on AAA bond issues, refunding the two debt issues reduced the County's interest cost over the balance of the debt payments. The majority of the funding associated with the new G.O. Bonds - \$41,597,975 - funded Schools projects including the construction of a new middle school and elementary school as well as additions to two elementary schools. The remainder of the funding - \$8,632,025 - funded General Government projects which included construction of a new fire station, a recreation center, the Mayland Drive extension, and the continued construction of John Rolfe Parkway.

Due to the low interest rates available and the cost advantages of a large bond issue, the projected G.O. Bond issues for FY2004 and FY2005 were combined into one large issue in FY2004. The total issue was \$38,920,000 with School projects totaling \$12,549,826 and General Government projects totaling \$26,370,174. The Schools funding of \$12,549,826 funded the renovation of two elementary schools and an addition at one elementary school as well as the planning and design of a new elementary school and additions at two elementary schools. The Schools funding was also used for Americans with Disabilities Act (ADA) compliance, asbestos abatement, and tennis court replacement. The General Government funding of \$26,370,174 provided funding for the renovation of Fire Station #5, construction of Fire Station #21, construction of the Twin Hickory Area Library, continuing construction of John Rolfe Parkway, improvements to Creighton Road, complete construction of Deep Run Park Recreation Center, improvements to Walkerton Tavern and Osborne Park as well as funding for the Meadowview Park Phase I planning.

In FY2006, the County issued \$77,815,000 of G.O. Bonds. The funding was for both General Government and School projects approved in the November 2000 and March 2005 Referendums. The School portion of the issue was \$62,762,000. The funding is for the construction of two new schools - one middle school and one elementary school, the renovation of a high school, a classroom addition and cafeteria renovation at another high school, additions at two elementary schools, and funding to begin planning for a second new middle school. The General Government funding totaled \$15,053,000, and is being used for the rebuilding of Fire Station #8, planning and design for an addition at Glen Allen Library, expansion and improvements to RF&P Park, and Phase I of Meadowview Park. Also, three road projects are being funded including improvements to Charles City Road, construction of John Rolfe Parkway, and funding to begin planning for the Gayton Road Extension.

In FY2007, the County issued \$71,915,000 of G.O. Bonds, which included projects from the November 2000 and March 2005 Referendums. This issue completes the debt issuance approved on the November 2000 Referendum. The School projects, which totaled \$47,011,180, included funding for the construction of Holman Middle School, a cafeteria renovation and classroom addition at Varina High School, and the renovation of Freeman High School. The General Government projects, which totaled \$24,903,821, included the relocation of Fire Station #3, an addition at Glen Allen Library, funding to complete the renovation of Henrico Theatre, and land for an Eastern Area Recreation Center as well as funding for parkland in Western Henrico.

The County issued \$29,810,000 of G.O. Bonds in FY2007-08 for projects from the March 2005 referendum. The General Government projects, which totaled \$4,694,107, included the renovation and expansion of Fire Station #10 and the on-site replacement of Fire Station #7. The School projects, which totaled \$25,115,893, included funding for the construction of Harvie Elementary School, the renovation of Fairfield Middle School, the planning and design of Glen Allen High School, and an allocation of \$3,350,000 for a reserve to assist in the funding of construction cost overruns, due to the increase in construction costs that occurred after the March 2005 referendum.

In FY2008-09, the County issued \$93,090,000 of GO Bonds for projects from the March 2005 Referendum. The General Government projects, which totaled \$33,700,814, includes the replacement of Fire Station #9, funding for planning and design of a new northwest area fire station (Fire Station #19), construction funding for an Eastern Area Recreation Center, and funding to continue the construction of the Gayton Road Extension. The School projects,

which totaled \$59,389,186, included funding for the construction of Glen Allen High School, the addition of twelve classrooms each at Mehfoud Elementary School and Varina Elementary School, planning and design funding for a new West Area Elementary School, and the renovations of Varina High School, Johnson Elementary School, and Brookland Middle School.

Also in FY2008-09, the County's Schools participated in a VPSA Bond issue that totaled \$44,440,000. The proceeds will be utilized as needed to cover anticipated cost increases in the following March 2005 GO Bond Referendum projects: Glen Allen High School, inclusive of Leadership in Energy and Environmental Design (LEED) certification and design of a Technical Center, Holman Middle School, inclusive of LEED certification, Mehfoud and Varina Elementary School classroom additions, and construction of a new West Area Elementary School.

In May 2009, the County refunded two prior debt issues, the 2001 and 2002 GO Bonds, totaling \$33,785,000 in all. Due to favorable interest rates on AAA bond issues, refunding these two debt issues reduced the County's interest cost by \$1.84 million over the balance of the debt payments. In August 2009, the County refunded two more prior debt issues, the 1996 Industrial Development Authority (IDA) Lease Revenue Bonds and the 1998 IDA Lease Revenue Bonds, totaling \$36,425,000 in all. These bond refundings generated a gross savings of \$7.6 million over the balance of the debt payments. In May 2010, the County achieved \$5.1 million in debt service savings with the refunding of \$119,735,000 in G.O. Bonds.

Because of the difficult economic environment, the County chose to take the prudent approach and delay the planned FY2009-10 issuance of GO Bonds one year, to FY2010-11. This decision also pushed back the originally planned bond issues for FY2010-11 and FY2011-12 one year as well, as noted in the revised schedule below. It should be noted that the County has \$73.5 million in outstanding GO Bond authorization from the \$349.3 million GO Bond Referendum approved in March 2005. The original plan was to issue GO Bonds over a seven-year period, from FY2005-06 to FY2011-12. The County is scheduled to issue \$33.3 million and \$35.7 million in GO bonds in FY2011-12 and FY2012-13.

The table below shows the anticipated amounts for future GO Bonds issues.

March 2005 Referendum	FY2012	FY2013
Education	22.9	0.0
General Government	10.4	35.7
Public Works	0.0	0.0
Total G.O. Bond Issues	33.3	35.7

(To) From Fund Equity represents the use of resources accumulated as a result of differences in actual versus projected debt service costs. The savings results from two factors, which are difficult to predict in projecting debt service payments for anticipated bond issues. One is the timing and structure of the actual bond issue and the other factor is the favorable interest rates the County receives as a result of Henrico's triple AAA bond rating. Fund equity provides an additional source of funding for debt service or pay-as-you-go funding source for capital projects.

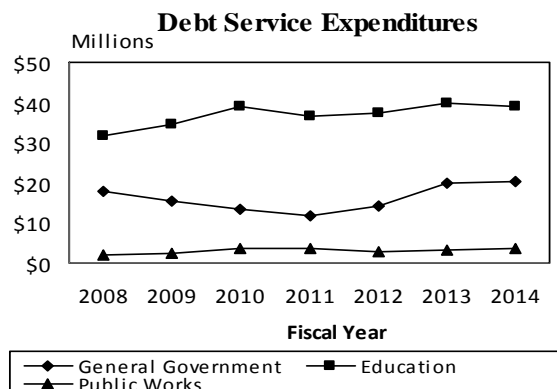
(To) Capital Projects Fund represents the transfer of excess accumulated debt service fund equity for funding pay-as-you-go capital projects. It could also represent the utilization of interest earnings from bond proceeds to help offset debt service payments. The use of debt service fund equity is one-time in nature and must be used for a one-time expenditure.

Expenditures

On the next page is a forecast of debt service expenditures for FY2010-11 through FY2013-14. This debt will not exceed the County's self-imposed debt limits mentioned within the Financial Guidelines section of this document.

Assumptions

Debt Service - General Government includes principal and interest payments on General Obligation (G.O.) Bond issues and Industrial Development Authority (IDA) Lease Revenue Bond issues. These obligations fund a variety of projects including parks, libraries, fire stations, a radio communication system, a parking deck, a communication/training facility, as well as technology initiatives. Future debt service fund expenditures include the debt service associated with issuance of General Government G.O. Bonds for \$10,350,000 and \$35,700,000 in FY2011-12 FY2012-13. The bond proceeds for FY2011-12 and FY2012-2013 will be used for the renovation and expansion of one fire station, to build one replacement and one new library as well as the development of two park projects.



Fiscal Years 2011 through 2014 are estimated.

Debt Service - Education includes principal and interest payments on Education General Obligation (G.O.) Bonds, Virginia Public School Authority (VPSA) Bonds, and Literary Fund Loans. These obligations support construction and improvement of facilities operated by the County's School System. The projected Education G.O. Bond issue for FY2011-12 is \$22,931,208. This funding will allow for the renovation of one elementary school and an addition of \$17.8 million to the Bond Project Reserve allowing for the completion of citizen-approved bond projects that may require additional funding.

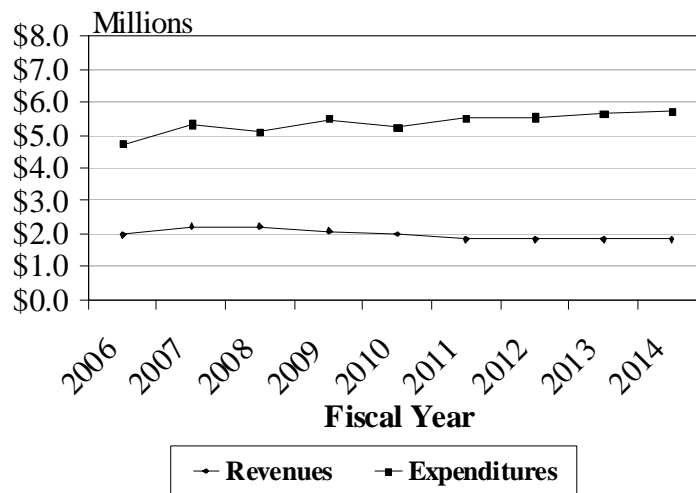
Debt Service - Public Works includes principal and interest payments on General Obligation (G.O.) Bonds issued to support road improvements throughout the County.

Debt Service Fund Forecast

	FY 2010 Actual	FY 2011 Original	FY 2012 Forecast	FY 2013 Forecast	FY 2014 Forecast
Revenues:					
(To) From General Fund	\$ 50,070,508	\$ 49,832,472	\$ 52,854,043	\$ 63,033,646	\$ 62,951,856
(To) From Fund Equity	2,000,000	2,000,000	2,000,000	0	0
(To) Capital Projects Fund	4,000,000	0	0	0	0
Miscellaneous Revenue	0	0	0	0	0
Total Revenues	<u>\$ 56,070,508</u>	<u>\$ 51,832,472</u>	<u>\$ 54,854,043</u>	<u>\$ 63,033,646</u>	<u>\$ 62,951,856</u>
Expenditures:					
Debt Service - General					
Government	\$ 13,454,649	\$ 11,719,316	\$ 14,375,844	\$ 19,935,710	\$ 20,366,400
Debt Service - Education	38,897,759	36,522,774	37,523,568	39,897,673	39,023,989
Debt Service - Public Works	3,718,100	3,590,382	2,954,631	3,200,263	3,561,467
Total Expenditures	<u>\$ 56,070,508</u>	<u>\$ 51,832,472</u>	<u>\$ 54,854,043</u>	<u>\$ 63,033,646</u>	<u>\$ 62,951,856</u>
Fund Equity*	\$ 6,496,004	\$ 4,496,004	\$ 2,496,004	\$ 2,496,004	\$ 2,496,004

*Represents balance that has accumulated in the Debt Service Fund over a period of years.

Three Year Forecast Revenues and Expenditures JRJDC Agency Fund



Fiscal Years 2011 through 2014 are estimated.
Revenues exclude transfers from other funds.

JRJDC AGENCY FUND

(Fund 82)

The JRJDC Agency Fund, created in December 1998, accounts for revenues and expenditures related to the James River Juvenile Detention Center (JRJDC). The JRJDC Commission includes Goochland, Powhatan and Henrico Counties. Henrico, as the majority partner, serves as fiscal agent for the Commission, thereby eliminating duplicate administrative functions for personnel, procurement, accounting and budget responsibilities. Construction of the sixty-bed facility, located in Powhatan County, began in the spring of 1999, and the facility opened in April, 2001. FY2002 marked the first year of full operation.

JRJDC Operations and Debt Subfunds (Fund 8201 & 8202)

Revenues

Assumptions

Revenue from the Commonwealth represents funding from the State, received quarterly, for day-to-day operational costs of the facility. In April of 2011, the last quarterly payment of FY2010-11 was received, bringing the total to \$1,486,174, which is \$73,904 above the estimated amount of support. As there continues to be uncertainty in the level of future funding from the State, conservative revenue estimates will continue to be utilized. It should be noted that under these projections, State funding in FY2014, estimated at \$1,412,270, would be 10.1 percent below the actual amount received in FY2002, which totaled \$1,570,378.

Revenue from Goochland/Powhatan is funding from Goochland and Powhatan for each county's 6.7 percent share of operating costs of the facility. Per the JRJDC Commission's agreement, Powhatan and Goochland have four beds each in the sixty-bed facility. Revenues from Goochland and Powhatan combined are projected at \$403,312 for FY2012, \$411,378 for FY2013 and \$419,606 for FY2014.

To (From) General Fund represents Henrico County's share of operation and debt costs. Per the JRJDC agreement, Henrico has fifty-two beds. The Commission will bill Henrico 86.6 percent of operational costs. This transfer also includes funds for principle and interest payments on the \$7.125 million of bonds issued in November 2000 for facility construction. The projected outstanding balance as of June 30, 2011 is \$2,960,000. As majority partner, Henrico is responsible for debt service payments projected at \$674,610 in FY2012, \$676,878 in FY2013,

\$673,106 in FY2014. The final bond payment is scheduled to occur in FY2016. Goochland made a one-time payment of \$511,646 in FY2001. Powhatan was relinquished of debt responsibility, since the facility is located in that county.

To (From) Retained Earnings is the anticipated difference between revenues and expenditures. The use of Fund Equity is projected at \$445,138 for FY2012, \$482,284 for FY2013, and \$520,177 for FY2014. Although use of fund equity is projected throughout the forecast period, it should be noted that historically, use of fund equity has been markedly less than projections, due to expenditure savings as well as the realization of miscellaneous revenues that are not reliable enough to fall within the budget structure of the JRJDC.

Expenditures

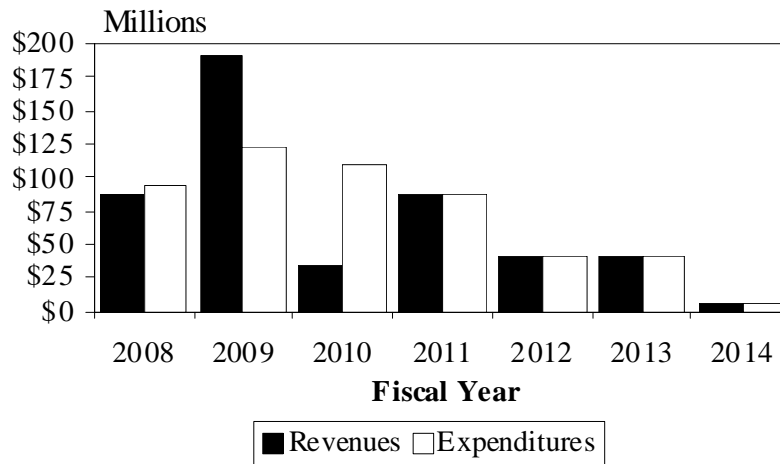
Assumptions

James River Juvenile Detention Center includes the personnel, operating and capital expenditures required to operate the facility. The JRJDC Agency Fund requirements for the forecast period are expected to grow at an annual rate of 2.0 percent. This level of operational funding allows for operational adjustments for actual costs incurred in the day-to-day operations of the James River Juvenile Detention Center.

JRJDC Agency Fund Forecast

	<u>FY09-10</u> <u>Actual</u>	<u>FY10-11</u> <u>Original</u>	<u>FY11-12</u> <u>Forecast</u>	<u>FY12-13</u> <u>Forecast</u>	<u>FY13-14</u> <u>Forecast</u>
JRJDC Operations and Debt Service Subfunds					
Revenues:					
Revenue from Commonwealth	\$ 1,432,612	\$ 1,412,270	\$ 1,412,270	\$ 1,412,270	\$ 1,412,270
Revenue from Federal Govt	103,570	0	0	0	0
Revenue from Goochland	222,884	201,656	201,656	205,689	209,803
Revenue from Powhatan	222,884	201,656	201,656	205,689	209,803
Recovered Costs	0	0	0	0	0
Interest Income	23,525	0	0	0	0
Total Revenues	<u>2,005,475</u>	<u>1,815,582</u>	<u>1,815,582</u>	<u>1,823,648</u>	<u>1,831,876</u>
Plus:					
(To) From Construction Subfund	0	0	0	0	0
(To) From General Fund	3,286,700	3,281,789	3,281,089	3,335,487	3,384,887
(To) From Retained Earnings	(43,470)	429,169	445,138	482,284	520,177
Total Resources	<u>\$ 5,248,705</u>	<u>\$ 5,526,540</u>	<u>\$ 5,541,809</u>	<u>\$ 5,641,419</u>	<u>\$ 5,736,940</u>
Expenditures:					
James River Juvenile Detention Center	\$ 4,575,003	\$ 4,851,230	\$ 4,867,199	\$ 4,964,543	\$ 5,063,834
Debt Service	673,702	675,310	674,610	676,878	673,106
Total Expenditures	<u>\$ 5,248,705</u>	<u>\$ 5,526,540</u>	<u>\$ 5,541,809</u>	<u>\$ 5,641,421</u>	<u>\$ 5,736,940</u>
Ending Retained Earnings	<u>\$ 2,842,317</u>	<u>\$ 2,413,148</u>	<u>\$ 1,968,010</u>	<u>\$ 1,485,726</u>	<u>\$ 965,549</u>

Three Year Forecast Revenues and Expenditures Capital Projects Fund



Fiscal Years 2011 through 2014 are estimated.

CAPITAL PROJECTS FUND

(Fund 21)

The Capital Projects Fund accounts for all general government and school system capital projects, which are financed through a combination of general obligation bonds and operating transfers from the General Fund and Special Revenue Fund.

The County of Henrico adopts both an operating and capital budget annually. These two separate budgets, when combined, represent the total appropriation made by the Board of Supervisors each year. This “fund” forecast encompasses the County’s Capital Projects Fund, which is representative of the County’s capital budget. A separate narrative, found elsewhere in this document, includes the operating impact of approved capital projects on the County’s operating budget. The County of Henrico will not approve funding for a capital project in the capital budget unless all operating cost increases are known, and have been incorporated into the operating budget.

Revenues

Assumptions

State School Construction Fund represents the use of a State grant for the construction of school projects.

Use of Money & Property represents the interest earned on the balance remaining within the Capital Projects Fund from bond proceeds and other sources of funding.

Miscellaneous Revenues includes payments received from other localities for shared capital project costs.

Intergovernmental Revenues include various State grants, VDOT Construction Aid Drawdown, and funds received from the Community Development Block Grant as reimbursement for project costs.

General Obligation Bonds - 2005 represents the \$349.3 million approved by the voters in the March 2005 Bond Referendum for Education and General Government capital projects. Due to economic conditions, the issue originally

planned for FY2010 was delayed until FY2011. The revised schedule for the two remaining bond issues planned for FY2012 through FY2013 by year and category are:

	<u>FY 2012</u>	<u>FY 2013</u>
Education	\$22.9	\$0.0
General Government	<u>\$10.4</u>	<u>\$35.7</u>
Total	\$33.3	\$35.7

Transfers:

(To) From General Fund is the transfer of non-bond resources from the General Fund. The FY2012 transfer of \$5,000,000 represents pay-as-you-go construction from General Fund balance, which is divided equally between General Government and Education to support various ongoing projects. This funding will cover \$2,500,000 for Schools mechanical improvements of \$2,000,000 and roof replacements of \$500,000. The remaining \$2,500,000 which has been designated for General Government includes \$750,000 for Information Technology projects, \$750,000 for the Network/VOIP project, \$311,000 for recreation facility rehabilitation projects, \$200,000 for pavement rehabilitation projects, \$175,000 for building maintenance area safety improvements projects, \$164,000 for the card access system panel upgrade, and \$150,000 for the Geographic Information System project. The County's Financial Guidelines (found elsewhere in this document) include the fund balance guidelines, which is to maintain a level of undesignated fund balance at 18.0 percent of the General Fund expenditures. Amounts over the 18.0 percent threshold would be utilized as a funding source in future capital budgets. The FY2012 transfer also includes revenue collected in the General Fund designated for capital improvements, such as Motor Vehicle License Fee revenue of \$850,000, which supports various Public Works' ongoing projects.

The FY2013 forecasted transfer of \$5,850,000 includes \$5,000,000 of General Fund balance and \$850,000 from Motor Vehicle License Fee revenue.

The FY2014 forecasted transfer of \$5,850,000 includes \$5,000,000 of General Fund balance and \$850,000 from Motor Vehicle License Fee revenue.

(To) From Special Revenue Fund is the transfer of non-bond resources from the Special Revenue Fund. The FY2012 forecasted transfer of \$1,450,000 of Public Utilities Landfill revenues would support \$1,350,000 for the Springfield Road landfill transfer station, \$50,000 for the Springfield Road Landfill Public Use Area improvements project, and \$50,000 for the Charles City Road Landfill Public Use Area improvements project.

(To) From CAM (Central Automotive Maintenance) Fund Balance represents the use of CAM fund balance resources.

Expenditures

Assumptions

Capital Project Expenditures over the three-year forecast period are requested at \$88.0 million. Expenditures for General Government projects funded with General Obligation Bonds during the forecast period include Fire, Public Library, and Recreation and Parks. Forecasted expenditures include \$16,000,000 for construction of the new Varina Area Library, \$22,000,000 for the replacement of the Dumbarton Area Library, \$1,350,000 for the renovation and expansion of Fire Station #13, \$3,000,000 for the development of Twin Hickory Park, and \$3,000,000 for the expansion of Short Pump Park.

Expenditures for Education projects funded with General Obligation Bonds during the forecast period include \$5,128,787 for the renovation of Pinchbeck Elementary School. In addition, \$17,802,421 is included in the approved budget for an Education Bond Project Reserve. The funding being allocated to the reserve was originally requested for projects that included only land, planning, and/or partial renovation costs within the \$220,000,000 approved by the citizens in the March 2005 Referendum for Education projects. Since the projects only have partial funding, the prudent decision is to propose placing these funds into a reserve for future allocation.

General Government and Education expenditures will fluctuate during the forecast period based on the dollar amount of General Obligation Bond projects funded each year.

(To) From Capital Projects Fund Equity represents the change in accumulated construction appropriations based on projected resources and corresponding expenditures throughout the forecast period.

Capital Projects Fund Balance represents the estimated amount of available appropriations based on the addition of new resources less projected expenditures.

Below is a list of projects funded by the General Fund transfer in the Approved FY2010-11 and FY2011-12 Capital Budgets.

FY2011		FY2012	
From General Fund - \$9,415,242		From General Fund - \$5,850,000	
Project	Total	Project	Total
Schools - Mechanical Improvements	\$ 1,800,000	Schools - Mechanical Improvements	\$ 2,000,000
Schools - Roof Replacement	700,000	Schools - Roof Replacement	500,000
Recreation Facility Rehabilitation	600,000	Recreation Facility Rehabilitation	311,000
Building Maint Area Safety Improvements	500,000	Building Maint Area Safety Improvements	175,000
Geographic Information System	300,000	Geographic Information System	150,000
Pavement Rehabilitation	150,000	Pavement Rehabilitation	200,000
General Road Construction	800,000	General Road Construction	800,000
New Guardrails	50,000	New Guardrails	50,000
Information Technology Projects	650,000	Information Technology Projects	750,000
Human Services HVAC Replacement	3,002,509	Network/VOIP	750,000
County Generators	248,889	Card Access System - Panel Upgrade	164,000
Magistrate's Office Renovation	228,844	Total From General Fund	\$ 5,850,000
DGS Environmental Fund	50,000		
Historic Facility Rehabilitation	200,000		
Cedar Hill House	75,000		
Belmont Master Plan	60,000		
Total From General Fund	\$ 9,415,242		

Capital Projects Fund Forecast

	FY 09-10 Actual	FY 10-11 Original	FY 11-12 Forecast	FY 12-13 Forecast	FY 13-14 Forecast
Resources:					
Revenues:					
State School Construction Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Use of Money and Property	1,422,845	-	-	-	-
Miscellaneous Revenues	320,633	-	-	-	-
Intergovernmental	10,955,376	-	-	-	-
Subtotal Revenues	<u>\$ 12,698,854</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Other Financing (Uses) Sources:					
Bonds:					
G. O. Bonds - Education - 2005	-	65,656,903	22,931,208	-	-
G. O. Bonds - General Govt - 2005	-	5,800,000	10,350,000	35,700,000	-
G. O. Bonds - Public Works - 2005	-	6,000,000	-	-	-
VPSA Bonds - Education	-	-	-	-	-
Bond Premiums	-	-	-	-	-
Subtotal Bonds:	<u>\$ -</u>	<u>\$ 77,456,903</u>	<u>\$ 33,281,208</u>	<u>\$ 35,700,000</u>	<u>\$ -</u>
Transfers:					
(To) From General Fund:					
General Fund Balance	\$ 9,127,170	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
Capital Reserve Fund - General Gov'	9,150,000	3,565,242	-	-	-
General Fund Revenue - License Fee	850,000	850,000	850,000	850,000	850,000
State Lottery Fund	942,628	-	-	-	-
State Gasoline Tax	1,000,000	-	-	-	-
Subtotal General Fund Transfers	<u>\$ 21,069,798</u>	<u>\$ 9,415,242</u>	<u>\$ 5,850,000</u>	<u>\$ 5,850,000</u>	<u>\$ 5,850,000</u>
Transfers:					
(To) From Special Revenue Fund:					
MH/MR	\$ -	\$ -	\$ -	\$ -	\$ -
Landfill Fees	3,600,000	-	1,450,000	-	-
E-911 Wireless Funds	253,700	-	-	-	-
Subtotal Special Revenue Fund	<u>\$ 3,853,700</u>	<u>\$ -</u>	<u>\$ 1,450,000</u>	<u>\$ -</u>	<u>\$ -</u>
(To) From Debt Service					
Capital Projects	\$ (4,000,000)	\$ -	\$ -	\$ -	\$ -
(To) From CAM Fund Balance					
Capital Projects	\$ 590,600	\$ -	\$ -	\$ -	\$ -
Total Resources and Transfers	<u>\$ 34,212,952</u>	<u>\$ 86,872,145</u>	<u>\$ 40,581,208</u>	<u>\$ 41,550,000</u>	<u>\$ 5,850,000</u>
Expenditures:					
General Government	\$ 27,023,177	\$ 11,865,242	\$ 12,850,000	\$ 38,200,000	\$ 2,500,000
Education	68,536,505	68,156,903	25,431,208	2,500,000	2,500,000
Public Works Roads	13,239,869	6,850,000	850,000	850,000	850,000
Utilities - Landfill	869,396	-	1,450,000	-	-
Total Expenditures	<u>\$109,668,947</u>	<u>\$ 86,872,145</u>	<u>\$ 40,581,208</u>	<u>\$ 41,550,000</u>	<u>\$ 5,850,000</u>
(To) From Capital Projects	\$ 75,455,995	\$ 30,000,000	\$ 35,000,000	\$ 25,000,000	\$ 5,000,000
Fund Equity					
Capital Projects Fund Balance	<u>\$208,328,313</u>	<u>* \$178,328,313</u>	<u>\$143,328,313</u>	<u>\$118,328,313</u>	<u>\$113,328,313</u>

Notes:

Revenues and Expenditures in forecast years are based on anticipated appropriations.

From Capital Projects Fund Balance is the use of cash to complete projects where funds were appropriated in prior years.

To Capital Projects Fund Balance is the anticipated addition to Capital Projects Fund Balance of unspent current year appropriations.

(*) Source - Trial Balance. Represents unspent balance as of 6/30/10.



GENERAL FUND

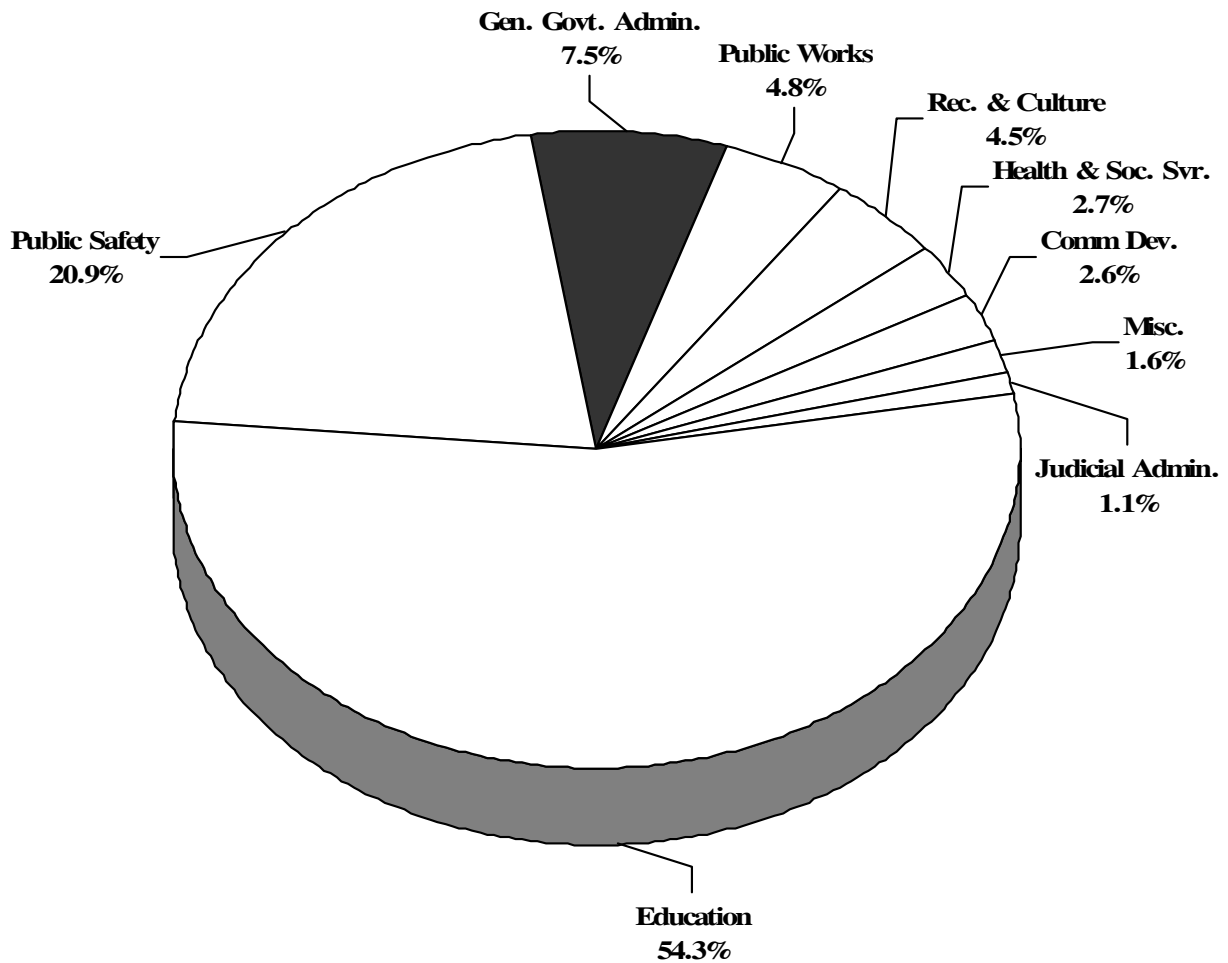
COUNTY OF HENRICO, VIRGINIA
APPROVED GENERAL FUND REVENUES
FY 2011-12

Revenues: Function/Program	FY 09-10 Actual	FY 10-11 Original	FY 11-12 Approved
Revenue from Local Sources:			
General Property Taxes	\$365,283,955	\$389,000,000	\$388,660,000
Other Local Taxes	117,979,425	114,015,000	114,755,000
Permits, Fees, & Licenses	3,018,100	3,239,200	3,345,200
Fines & Forfeitures	2,479,557	2,315,000	2,390,000
From Use of Money & Property	4,159,787	9,734,400	9,784,400
Charges for Services	4,096,269	3,554,200	3,748,700
Miscellaneous	5,282,453	2,872,800	2,857,800
Recovered Costs	4,428,682	4,043,700	4,278,870
Total from Local Sources	<u>506,728,228</u>	<u>528,774,300</u>	<u>529,819,970</u>
Revenue from the Commonwealth:			
Categorical Aid:			
Education	216,957,512	199,131,000	204,679,000
Public Works	29,543,547	28,745,000	28,745,000
Public Safety (HB #599)	8,524,731	7,250,000	7,350,000
Social Services	6,709,113	3,988,200	3,988,200
Other	4,579,493	4,845,500	4,052,500
Total Categorical Aid	<u>266,314,396</u>	<u>243,959,700</u>	<u>248,814,700</u>
Non-Categorical Aid:			
General Government	<u>54,012,360</u>	<u>17,608,500</u>	<u>17,628,500</u>
Total Non-Categorical Aid	<u>54,012,360</u>	<u>17,608,500</u>	<u>17,628,500</u>
Shared Expenses:			
State Share of Salaries & Benefits	<u>15,678,418</u>	<u>13,768,800</u>	<u>14,828,800</u>
Total from the Commonwealth	<u>336,005,174</u>	<u>275,337,000</u>	<u>281,272,000</u>
Revenue from the Federal Government	<u>11,980,862</u>	<u>10,860,200</u>	<u>10,685,200</u>
Total Revenues	<u>854,714,264</u>	<u>814,971,500</u>	<u>821,777,170</u>
Interfund Transfers:			
To Debt Service Fund	(50,070,508)	(49,832,472)	(52,854,043)
To Capital Projects Fund	(21,069,798)	(9,415,242)	(5,850,000)
To Enterprise Fund	(661,231)	(772,219)	(756,608)
To Risk Management	(9,277,368)	(4,364,026)	(4,369,790)
To Special Revenue Fund	(19,155,242)	(23,361,772)	(23,252,945)
To JRJDC Agency Fund	(3,286,700)	(3,281,789)	(3,281,089)
To OPEB-GASB 45 Fiduciary Fund	(6,000,000)	(3,000,000)	(3,000,000)
Total Transfers	<u>(109,520,847)</u>	<u>(94,027,520)</u>	<u>(93,364,475)</u>
(To) From Fund Balance	(12,224,069)	0	0
(To) From Fund Balance - Capital Projects	5,000,000	5,000,000	5,000,000
(To) From Fund Balance - Designated Capital Reserve	9,150,000	3,565,242	0
(To) Revenue Stabilization	0	0	0
From Revenue Stabilization	750,000	11,548,345	10,248,671
(To) Designated Fund Balance - State Revenues	0	0	0
Total Resources Net of Transfers	<u>\$747,869,348</u>	<u>\$741,057,567</u>	<u>\$743,661,366</u>

COUNTY OF HENRICO, VIRGINIA

General Government Administration

\$55,759,533



Total General Fund

\$743,661,366

COUNTY OF HENRICO, VIRGINIA
GENERAL GOVERNMENT ADMINISTRATION - GENERAL FUND
FY 2011-12

<u>Department</u>	<u>FY 09-10 Actual</u>	<u>FY 10-11 Original</u>	<u>FY 11-12 Approved</u>
Board of Supervisors	\$1,162,420	\$1,096,518	\$1,104,851
County Manager:			
Administration	1,935,800	1,915,000	1,940,667
Public Relations	693,122	779,769	781,262
Media Services	<u>1,134,165</u>	<u>1,083,405</u>	<u>1,113,934</u>
Total County Manager	3,763,087	3,778,174	3,835,863
County Attorney	1,966,860	2,006,181	2,031,459
Human Resources:			
Human Resources	5,089,979	5,193,745	4,727,761
Group Benefits	<u>408,835</u>	<u>659,176</u>	<u>775,837</u>
Total Human Resources	5,498,814	5,852,921	5,503,598
Finance:			
Administration	538,539	554,939	515,932
Technology	815,512	889,662	846,679
Accounting	1,840,743	1,818,927	1,833,557
Budget	601,052	668,552	649,914
Treasury	2,161,783	2,321,437	2,296,867
Real Estate Assessment	2,939,112	3,041,491	2,892,665
Board of Real Estate Review	17,710	18,828	18,721
Vehicle	1,542,516	1,522,430	1,533,646
Business	<u>1,295,541</u>	<u>1,443,934</u>	<u>1,469,277</u>
Total Finance	11,752,508	12,280,200	12,057,258
General Services:			
Communications	1,227,342	1,236,378	1,270,693
Purchasing	1,649,554	1,669,243	1,665,268
Records Management	621,259	511,327	454,149
Administration	1,892,745	1,938,359	1,930,341
Employee Cafeteria	443,356	552,019	517,077
Maintenance and Custodial	8,884,335	9,184,863	9,199,776
Security	<u>1,345,812</u>	<u>1,385,957</u>	<u>1,412,604</u>
Total General Services	16,064,403	16,478,146	16,449,908
Internal Audit	398,405	376,385	387,370
Information Technology	9,961,969	12,079,730	12,464,369
Real Property	560,622	572,006	576,838
Electoral Board	1,116,152	1,396,097	1,348,019
Total General Government Administration	<u><u>\$52,245,240</u></u>	<u><u>\$55,916,358</u></u>	<u><u>\$55,759,533</u></u>

BOARD OF SUPERVISORS

Description

The County Board of Supervisors is the elected governing body of the County and is responsible for establishing policy within the framework of the Constitution of Virginia and the Code of Virginia.

Board members are elected to four-year terms by the voters in each of the five magisterial districts: Brookland, Fairfield, Three Chopt, Tuckahoe and Varina. The Board appoints the County Manager, who is the chief administrative officer of the County. They also appoint the members of the Social Services Board, Library Board, Mental Health and Developmental Services Board, the Board of Real Estate Review and Equalization, the Planning Commission, and several other advisory boards and commissions.

The Board of Supervisors adopts the annual operating and capital budgets and appropriates all funds for expenditure.

Objectives

- To provide broad policy direction and oversight to the County administration pursuant to the laws of the United States, Commonwealth, County and other applicable regulations.

- To maintain minimum tax rates necessary to provide service levels which ensure a high quality of life for the citizens of Henrico County.

Budget Highlights

The Board of Supervisors' budget for FY2011-12 includes funding for continuing correspondence with constituents and for periodic "town meetings," in addition to office expenses and personnel costs. The County's annual audit and general County advertisement requirements are also funded within the operating costs of this budget.

The FY2011-12 approved budget for the Board of Supervisor's Office is \$1,104,851 and represents an increase of 0.8 percent from the prior fiscal year. Personnel costs increased by 2.6 percent while increased efficiencies lowered the cost of operations by \$10,426, or 2.8 percent.

It should be noted that the budgetary requirement for the Board of Supervisor's Office remains below the level of the approved budget for FY2006-07.

Annual Fiscal Plan

Description	FY10 Actual	FY11 Original	FY12 Approved	Change 11 to 12
Personnel	\$ 716,844	\$ 728,289	\$ 747,048	2.6%
Operation	445,576	368,229	357,803	(2.8%)
Capital	0	0	0	0.0%
Total	<u>\$ 1,162,420</u>	<u>\$ 1,096,518</u>	<u>\$ 1,104,851</u>	<u>0.8%</u>
Personnel Complement	5	5	5	0

Board of Supervisors (cont'd)

Performance Measures				
	FY10	FY11	FY12	Change 11 to 12
Performance Measures				
Population of County Served (*)	306,935	310,004	313,104	3,100
Regular Board Meetings Held	22	22	22	0
Special Board Meetings Held	24	26	26	0
Board Resolutions/Ordinances Considered	262	285	325	40
Provisional Use Permits/Zoning Cases Considered	38	30	35	5
Presentations Made at Board Hearings	31	35	40	5
Board and Commission Members Appointed	135	135	135	0
Agend-O-Grams Published	22	22	22	0

(*) - Population data provided by the Department of Planning

COUNTY MANAGER

Description

The County Manager is the chief administrative officer of the County. He is responsible for the execution of policies established by the Board of Supervisors and for advising and recommending actions to the Board to meet the needs of County residents. In addition to administering the day-to-day operations of the County, the Manager is required by law to present an annual budget to the Board of Supervisors for consideration of all needed County expenditures.

Objectives

- To monitor and advise County officials on all pertinent legislation before the Virginia General Assembly, and prepare the annual legislative program and summary.
- To keep the Board of Supervisors and the public informed of the activities of the County Government.
- To effectively and efficiently manage the County Government.
- To execute all duties required by law and the Board of Supervisors.

Budget Highlights

The FY2011-12 County Manager's Office budget includes funding to cover the costs of personnel, routine office expenses, and other expenditures

needed to keep the members of the Board of Supervisors advised on County business and finances. Also, funds are included that allow the County Manager and his five deputies to maintain memberships and participation in organizations and meetings necessary to keep abreast of current trends and developments beneficial to the County and its citizens.

Additionally, the County Manager and his deputies actively engage in promoting County interests by maintaining close communication with various important sectors of the community, such as County residents, civic groups, other area governments, the local business community, and the legislative delegation for the region.

The approved budget for the County Manager's Office for FY2011-12 totals \$1,940,667. This represents an increase of 1.3 percent from the approved budget in FY2010-11. The personnel component of the budget increased by \$41,870, or 2.4 percent, while there was a reduction of \$16,203, or 12.0 percent, in the operations portion of the budget, caused by the elimination of charges for the Automotive Motor Pool, reductions in technology replacement charges, and a 2.5 percent decrease in discretionary operational spending.

At the approved level of funding, the FY2011-12 budgetary requirement for the County Manager's Office remains below the level of funding in the FY2008-09 approved budget.

Annual Fiscal Plan

Description	FY10 Actual	FY11 Original	FY12 Approved	Change 11 to 12
Personnel	\$ 1,774,630	\$ 1,779,784	\$ 1,821,654	2.4%
Operation	161,170	135,216	119,013	(12.0%)
Capital	0	0	0	0.0%
Total	<u>\$ 1,935,800</u>	<u>\$ 1,915,000</u>	<u>\$ 1,940,667</u>	<u>1.3%</u>
Personnel Complement	13	13	13	0

COUNTY MANAGER

Public Relations & Media Services

Description

The Public Relations & Media Services Department directs the County's public communications efforts and increases awareness and understanding of Henrico County Government activities for the County's corporate and private residents, employees, students, civic organizations, the media and other jurisdictions throughout the Commonwealth and the nation. The Department creates and implements communications and public awareness campaigns targeted to a variety of audiences. Activities include news releases, media advisories, news conferences, photography, Henrico County Television (HCTV), public service announcements, a speakers' bureau, print publications, including the County's annual report, audio publications, media relations, news tracking, agency consultation, web site news maintenance, special events planning, streaming Board of Supervisors meetings and more.

The Department oversees operations of Henrico County Television (HCTV). Along with producing full-length, feature programming to broadcast on HCTV, the Department assists internal clients with video production and audio-visual presentation services. The Department of Public Relations & Media Services continues to offer residents timely information and quality programming through HCTV.

Objectives

- To provide County agencies with effective support and technical assistance in crisis consultation, media relations and planning of special events.
- To establish and maintain contacts with media representatives to ensure accurate coverage of County activities.
- To create crisis and emergency communication plans.
- To enhance the visibility of Henrico County as a desirable place to live, work, and enjoy leisure hours.
- To disseminate information to County residents through print publications, feature television programs, HCTV message boards, the media, the web site, and other available avenues.

Budget Highlights

The Public Relations & Media Services Department's budget for FY2011-12 totals \$1,895,196, a 1.7 percent increase from the FY2010-11 approved budget. This amount includes funding for operating

Annual Fiscal Plan

Description	FY10 Actual	FY11 Original	FY12 Approved	Change 11 to 12
Personnel	\$ 1,411,497	\$ 1,417,612	\$ 1,444,464	1.9%
Operation	386,402	445,562	450,732	1.2%
Capital	29,388	0	0	0.0%
Total	<u>\$ 1,827,287</u>	<u>\$ 1,863,174</u>	<u>\$ 1,895,196</u>	<u>1.7%</u>
Personnel Complement	19	19	19	0

Public Relations & Media Services (cont'd)

Performance Measures				
	FY10	FY11	FY12	Change 11 to 12
Workload Measures				
Video Shoots	493	500	500	0
Publications Distributed	360,000	360,000	360,000	0
Cable TV Messages	1,605	1,600	1,600	0
Information Packets Distributed	15,700	15,500	15,500	0
Media Contacts Made	7,979	8,000	8,000	0
DVD/VHS Duplication	3,238	3,000	3,000	0
Print Articles Generated	527	500	500	0
Photos Taken/Distributed	1,852	1,800	1,800	0

costs and numerous programs sponsored by the department. For FY2011-12, personnel costs increased by \$26,852 or 1.9 percent. The budget for operating costs totals \$450,732, an increase of 1.2 percent from FY2010-11. This increase in the operations budget was caused by the addition of the cost of studio equipment for HCTV into the Technology Replacement Fund

At the approved level of funding, the FY2011-12 budgetary requirement for Public Relations and Media Services remains below the level of funding in the FY2008-09 approved budget.

Public Relations

The employees in the Public Relations office focus on media relations and public awareness of County policies and activities via coverage in print, broadcast media, and publications. The office handles media contacts for County agencies on public awareness campaigns, crises, and other media-related issues. Public Relations is also responsible for tours, the speakers' bureau, and other bulletins that include tips on special events planning and promotion, working with the media,

writing news releases and public service announcements, and listing other in-house services.

The budget for the Public Relations office is \$781,262, an increase of \$1,493, or 0.2 percent, from the FY2010-11 approved budget.

It should be noted, the Board of Supervisors' Newsletter continues to be funded within the Public Relations & Media Services budget at an annual cost of \$61,553.

Media Services

The employees in the Media Services office serve as a media support staff, offering other County agencies assistance with audio-visual production and presentation. The office provides streaming audio-visual coverage of Board of Supervisors meetings and is also responsible for producing programs and operating HCTV.

The allocation for the Media Services division totals \$1,113,934 in FY2011-12, an increase of \$30,529, or 2.8 percent, from the FY2010-11 approved budget.

COUNTY ATTORNEY

Description

The County Attorney's Office serves as legal advisor to the County government, including its various departments, divisions, and agencies. The Office prosecutes or defends all actions involving County officials and employees arising out of acts performed in the course of their employment. In addition to litigation, the office is called upon to interpret State and Federal laws, County ordinances and County resolutions, and to draft County ordinances and proposed State legislation.

Objectives

- To provide the County government with quality legal services.
- To protect the County treasury from damage awards as a result of litigation.

Budget Highlights

The County Attorney's Office is charged by statute with providing all legal services of a civil nature required by the County and its various boards, commissions, and agencies. This responsibility includes rendering legal advice to the Board of Supervisors, the County Manager and his staff, the Planning Commission, the Board of Zoning Appeals, the School Board, the Superintendent of Schools, the Economic Development Authority, department heads, key officials, and employees. The Office also drafts

County ordinances and resolutions for presentation to the Board of Supervisors, drafts resolutions for presentation to the Economic Development Authority, and reviews and approves contracts entered into by the County, the School Board, and the Economic Development Authority.

The Office represents the County and its officials and employees in civil litigation and in criminal prosecutions of violations of certain County ordinances. The office handles a great variety of cases, such as bankruptcy, civil rights, construction, corrections, employment discrimination, land use, personal injury, procurement, professional responsibility, special education, taxation, and wrongful death. During FY2009-10, 26 new lawsuits were filed in courts of record.

At present, 39 cases are pending in state and federal courts of record, which include trial and appellate courts and the State Corporation Commission. The office made 42 appearances in these courts during FY2009-10. During that same period, the office handled 222 cases in the Henrico County General District Court and 474 cases in the Henrico County Juvenile and Domestic Relations District Court. Moreover, the office handled 18 administrative proceedings over the same period. In addition to litigation matters, the office handles a huge volume of transactional work on behalf of the many County departments. This work includes; 1,105 contracts

Annual Fiscal Plan

Description	FY10 Actual	FY11 Original	FY12 Approved	Change 11 to 12
Personnel	\$ 1,892,537	\$ 1,921,994	\$ 1,951,385	1.5%
Operation	74,293	84,187	80,074	(4.9%)
Capital	30	0	0	0.0%
Total	<u>\$ 1,966,860</u>	<u>\$ 2,006,181</u>	<u>\$ 2,031,459</u>	<u>1.3%</u>
Personnel Complement	18	18	18	0

County Attorney (cont'd)

Performance Measures				
	FY10	FY11	FY12	Change 11 to 12
Workload Measures				
Cases Filed	26	30	25	(5)
Cases Disposed of	14	25	25	0
Administrative Proceedings	18	18	18	0
Court Appearances	738	750	700	(50)

drafted or reviewed, 320 deeds and leases drafted or reviewed, 400 board papers drafted or reviewed, 313 Freedom of Information Act requests handled, 168 Subpoenas Duces Tecum handled, 10 restrictive covenants reviewed, 6 festival permit applications reviewed, 110 sets of conditional zoning proffers reviewed and 3 official opinions rendered. In addition, during the months of January through March 2010, while the General Assembly was in session, 139 articles of proposed legislation were reviewed.

A large addition to the department's workload has been in enhanced efforts to recover funds owed to the County by businesses in bankruptcy. During FY2009-10, the County Attorney's office recovered a total of \$7,198,620.

The Department's approved budget for FY 2011-12 is \$2,031,459. This represents an increase of \$25,278, or 1.3 percent from the FY2010-11 approved budget. Personnel costs increased by \$29,391, or 1.5 percent, while operating costs decreased by 4.9 percent due to improved efficiencies in Technology Replacement and a 2.5 percent reduction in discretionary operational spending.

At the approved level of funding, the FY2011-12 budgetary requirement for the County Attorney's Office remains below the level of funding in the FY2008-09 approved budget.

HUMAN RESOURCES

Description

Remaining an “employer of choice” during such uncertain economic times can be difficult. Despite the current economy, Henrico County continues to embody the characteristics of a preferred employer - ease in attracting talent, excellent retention rates, well-qualified applicant pools, clear and fair employee policies, competitive salaries and benefits packages, awards and accolades - while maintaining a good balance between providing excellent service to its citizens and customers and caring about its employees.

The Department of Human Resources is responsible for managing a centralized, full-service human resources function including employment and staffing, classification and compensation management, benefits administration, employee development and training, volunteer services, employee health, fitness and wellness, employee relations, employee and applicant records, and information systems including personnel and payroll transactions.

Administering the employee grievance procedure, equal employment opportunity complaint procedure, health care and dental coverage, income protection plans, the employee assistance program, the

leadership development and succession management programs, employee service awards program, drug testing, employment physicals, and unemployment compensation are also the responsibility of the Department of Human Resources. The department is also responsible for administering and interpreting a myriad of federal and state laws and regulations including the Family Medical Leave Act (FMLA), the Fair Labor Standards Act (FLSA), the Americans with Disabilities Act (ADA) as well as Henrico County Personnel Rules and Regulations.

Objectives

- To remain an employer-of-choice.
- To continue our efforts to attract and retain employees at all job levels.
- To endeavor to maintain high employment and low turnover.
- To strive to enhance employee health, fitness, and wellness efforts in an attempt to manage rising health care costs.

Annual Fiscal Plan

<u>Description</u>	<u>FY10 Actual</u>	<u>FY11 Original</u>	<u>FY12 Approved</u>	<u>Change 11 to 12</u>
Personnel	\$ 3,965,567	\$ 4,028,561	\$ 3,916,963	(2.8%)
Operation	1,123,592	1,165,184	810,798	(30.4%)
Capital	820	0	0	0.0%
Total	<u>\$ 5,089,979</u>	<u>\$ 5,193,745</u>	<u>\$ 4,727,761</u>	<u>(9.0%)</u>
Employee Services	\$ 408,835	\$ 659,176	\$ 775,837	17.7%
Total Budget	<u>\$ 5,498,814</u>	<u>\$ 5,852,921</u>	<u>\$ 5,503,598</u>	<u>(6.0%)</u>
Personnel Complement*	53	53	52	(1)

*One vacant position was removed from the complement and placed in the HR reserve complement. In addition to the total complement, there are currently 21 vacant and frozen positions which have been removed from the department where previously assigned and are being held in the Human Resources' reserve complement until reassignment is made.

Human Resources (cont'd)

Performance Measures				
	FY10	FY11	FY12	Change 11 to 12
Workload Measures				
Applications Received	14,616	15,347	16,575	1,228
Retirements (FY)	64	79	90	11
Effectiveness Measures				
Turnover Rate	4.9 %	6.8 %	7.0 %	0.2 %

- To continue to provide innovative training programs for County employees in customer service and technology as well as training to promote continued employee development.
- To ensure leadership readiness through our award-winning career enrichment, succession management, and leadership development programs.
- To continue to offer technology training to County employees.
- To continue Henrico's tradition of sound management and excellent service to our customers.
- To continue our efforts to keep the County's compensation and benefits at a competitive level.
- To continue to provide assistance to employees and supervisors in areas impacting employee relations and promote EEO and diversity awareness.
- To maintain all personnel records in an effective and efficient manner.
- To ensure that all laws, regulations and policies are followed.
- To continue to recognize volunteers for their contributions.
- To maintain the job description/job classification system in an efficient and effective manner including the unified pay plan with Henrico County Public Schools.

- To maintain historical documentation and information databases on County personnel complements, agency/departmental structure, compensation plans, positions and classifications for ongoing and future reference by County management and staff.
- To manage the County's position control function, to include providing reconciled complement reports and tracking vacancy information.
- To continue to be organizationally astute to the needs of the County of Henrico and serve as an internal consultant to the County Manager's Office and to operating departments regarding human resource management.

Budget Highlights

The Department of Human Resources approved budget for FY2011-12 totals \$5,503,598, representing an overall decrease of \$349,323 or 6.0 percent from the previous approved budget. The Human Resources budget includes both the departmental budget and the group benefits budget. Each of these components is noted in the following narrative.

The Human Resources section of the FY2011-12 approved budget is \$4,727,761, which represents an overall decrease of \$465,984 or 9.0 percent from the previous fiscal year. The personnel component decreased by a net difference of \$111,598 or 2.8 percent. This decrease was driven by the removal of one vacant position from the complement, the reduction in VRS life insurance, and budgeted vacancy savings. This decrease was offset by the

Human Resources (cont'd)

merit adjustments as well as the rising health care expenditures.

The operating component is forecasted to decrease by \$354,386 or 30.4 percent from the previous approved budget. Funding of \$322,000 previously budgeted within computer software was transferred to the Department of Information Technology's budget in order to centralize the ongoing Oracle license/maintenance cost. This portion of the budget also experienced a County-wide reduction in technology replacement costs totaling \$11,596. In addition, funding of \$24,336 was removed from other operating supplies in order to meet the operating budget adjustment. This reduction was achieved as a result of discontinuing the Excellence in Public Service program, streamlining the Service Awards program, and other self imposed reductions. A rental increase of \$3,546 is included in the approved budget for two leased facilities that currently house the staff assigned to Employee Health Services and the Oracle HRMS project.

The FY2011-12 budget for the Group Benefits section of the Human Resources budget is \$775,837, representing an increase of \$116,661 or 17.7 percent from the previous approved fiscal year budget.

Health care premiums for disabled retirees total \$218,870, increasing by \$58,438 from the previous fiscal year. In FY2011-12, this amount will provide health care premiums for twenty-three disabled retirees which represent a reduction of two disabled retirees from the previous fiscal year. The Group Benefits budget also captures the costs associated with the retiree health benefit supplement, which was authorized by the Board of Supervisors effective January 1, 2003. This County-wide benefit is included at a cost of \$556,967, increasing by \$58,223 from the previous fiscal year. It provides coverage for 436 retirees at an average monthly cost of \$106 per retiree.

With an increased emphasis on cost savings, the Department of Human Resources has implemented, on behalf of the Board of Supervisors and the County Manager, a very stringent hiring freeze, resulting in savings in salary and benefit costs. In addition, 101 vacant positions were eliminated in FY2009-10, saving the County an additional \$4.8 million per year.

The employee turnover rate was reported at a record low 4.965% this past year and only 3.55% when retirements are excluded. This marked the twenty-third consecutive year Henrico has maintained a single-digit turnover rate. These efforts and more have further validated Henrico County as one of the "leanest" local governments in the Commonwealth, with the lowest employee-to-citizen population ratio.

The Human Resources Department continues to offer a wide variety of training opportunities to supervisory and non-supervisory employees who take advantage of these excellent training offerings. Employee training catalogs are now published on-line saving considerable printing costs. The electronic newsletter for supervisors, the "Leadership Link", a communication tool covering timely topics of interest, continues to be published on a quarterly basis exclusively for the County's 800 plus supervisors, providing them with pertinent and timely information to assist them in their leadership roles. Providing training and consultation to employees and supervisors is an important service offered by Human Resources and one that adds value to the entire role of government. The Department takes a lead role in this regard and will continue this effort in FY2011-12.

Providing classes and personal training sessions for employees in the area of fitness and wellness continues to be well received. The Department of Human Resources' fitness initiatives have enjoyed great success in their rather short tenure – having trained over 22,000 participants (total participants for all classes and training sessions) since Fall 2006. The Department is expanding its fitness and wellness effort, focusing more on weight management, nutrition, walking/running clubs, fitness assessments, strength and conditioning, and an even wider array of classes requested by County employees. These offerings are intended to encourage employees' efforts to improve their overall health and in the long run reduce healthcare costs.

The HR Department will continue to focus on improving communication to all of its customers through recruitment, training, employee health, wellness and fitness, employee relations, technology, records, compensation, benefits, and administration.

The Human Resources Department will continue to promote efforts to attract the best applicants to fill

Human Resources (cont'd)

County vacancies through the on-line applicant system. Due to the economy and the County's hiring freeze, the number of applicants has decreased significantly from past years. Assuming an upswing in the economy, it is anticipated an increase in recruitment activities for FY2011-12.

FINANCE

Description

The Director of Finance is charged by State law with all duties mandated for the constitutional offices of the Treasurer and Commissioner of Revenue as prescribed by the Code of Virginia §15.2-617, along with the preparation and administration of the County budget and the Comprehensive Annual Financial Report (CAFR). To accomplish these tasks, the Department is comprised of administration and technology functions, and five divisions: Real Estate Assessment, Revenue (split into Business and Vehicle sections), Accounting, Treasury, and the Office of Management and Budget.

Objectives

- To continue the improvement of customer service for both internal and external customers.
- To provide convenient property tax information for the citizens of Henrico County.
- To assess all real estate and certain personal property located in the County.
- To review, assess, bill, and collect all taxes, licenses, and fees in the County in conformance with all local, state, and federal regulations.
- To administer all licensing activities in the County.
- To maintain complete and accurate accounting records for the County.
- To maintain the County's triple AAA bond ratings through sound financial management, the accurate recording of financial activity, and the timely preparation of the Comprehensive Annual Financial Report.
- To prepare, administer, and monitor the Capital and Operating Annual Fiscal Plans of the County.
- To continue the commitment for the education and career development of all Department employees.
- To promote the most innovative technologies available to enhance financial service delivery, information management, and customer service.
- To administer the Real Estate Tax Advantage Program (REAP) for the elderly and/or disabled.

Annual Fiscal Plan

Description	FY10 Actual	FY11 Original	FY12 Approved	Change 11 to 12
Personnel	\$ 10,390,098	\$ 10,707,612	\$ 10,645,353	(0.6%)
Operation	1,339,298	1,547,671	1,386,988	(10.4%)
Capital	23,112	24,917	24,917	0.0%
Total	<u>\$ 11,752,508</u>	<u>\$ 12,280,200</u>	<u>\$ 12,057,258</u>	<u>(1.8%)</u>
Personnel Complement	159	159	157 *	(2)

*Two vacant positions are being transferred to the Victim/Witness Program and reclassified to allow for the elimination of 2 complement III positions.

	Performance Measures			
	FY10	FY11	FY12	Change 11 to 12
Workload Measures				
Parcels of Land Reviewed	110,369	112,170	112,569	399
Vehicles Assessed	347,913	338,146	350,000	11,854
Business License Payments	8,352	7,761	8,500	739
Cashier Transactions Per Teller/Day ⁽¹⁾	96	95	90	(5)
Budget Transfer Documents Processed	1,265	1,670	1,600	(70)
Checks Written ⁽²⁾	107,018	120,000	122,400	2,400
Debit Card Transactions	18,415	18,783	22,157	3,374
Tax Advantage Applicants	6,335	6,260	6,500	240
Electronic Bill Payments	148,018	150,978	165,222	14,244
Effectiveness Measures				
G.O. Bond Ratings:				
Standard & Poor	AAA	AAA	AAA	n/a
Moody's	Aaa	Aaa	Aaa	n/a
Fitch	AAA	AAA	AAA	n/a
Number of Years - GFOA Award for CAFR	27	28	29	1
Number of Years - GFOA Award for Budget	20	21	22	1

⁽¹⁾ Transactions are decreasing due to increased use of electronic, credit and third party bill payment options.

⁽²⁾ Method used to calculate figure differs from previous years. Increase reflects inclusion of Social Services checks now processed by the Treasury Division.

Budget Highlights

During FY2010-11, the Department of Finance again received recognition from the Government Finance Officer's Association (GFOA) for the Annual Fiscal Plan and the Comprehensive Annual Financial Report (CAFR). The County has been awarded the Certificate of Achievement for Excellence in Financial Reporting from GFOA for the CAFR for twenty eight consecutive years. The Office of Management and Budget received the Distinguished Budget Presentation Award from GFOA for the Annual Fiscal Plan for the twenty first consecutive year.

In addition to sound fiscal planning, Henrico County also makes every effort to operate in a conservative fashion by maximizing efficiencies, prudently managing resources and engaging in special initiatives to ensure the appropriate level of tax collection. One example is the County's proactive debt management, taking advantage of favorable interest rates to minimize costs through debt

refundings. Also, the County continues the practice of conservatively estimating revenues and minimizing expenditures without compromising service delivery. In these difficult economic times, fiscal prudence, combined with proactive, and pragmatic fiscal management is of absolute necessity.

The adverse economic conditions that have existed the past few years has compelled Henrico County to examine the entire process by which it conducts business in order to more cost effectively provide valuable services to citizens. This examination has led to the County's departments and agencies, including Finance, to streamline operations, identify cost savings and implement efficiency measures to maximize the value of taxpayer's dollars. The Department has adopted many new cost cutting and efficiency maximizing strategies that are consistent with the County's overall goal of continuing to provide exceptional services to citizens.

Finance (cont'd)

Among these efforts, there were several notable accomplishments that occurred during the 2010-11 fiscal year, which include:

- 1) Filling only critically needed vacant positions.
- 2) Expanded the use of volunteers and interns.
- 3) Continued to reduce the number of vehicles leased by the department.
- 4) Reallocated and eliminated copiers throughout the Department to best utilize equipment.
- 5) Continued conversion of the comprehensive Tax Billing System, with the Personal Property Tax billing segment scheduled to go live by the end of the fiscal year.
- 6) Completed the Real Estate tax component of the Tax Billing System.
- 7) Continued the conversion of the CAMA system.

Administration

The Administration function oversees all activities of the Finance Department with the Director of Finance establishing the policies and procedures under which the Department operates. The administrative staff is responsible for the issuance of all County debt and maintains all of the debt issuance records as well as handling all subsequent reviews or filings related to that debt. The Administration staff also monitors the County's investments and administers the County's Investment and Cash Management Guidelines. Within Administration exists the Technology function, which maintains the Finance Department's computers, printers, servers, and other related equipment. This section also handles personal computer software installations and upgrades along with assisting in the implementation of new systems or upgrades of existing systems in the Department. In addition, due to the continued economic difficulties experienced this year, the Department of Finance has also assisted in the presentation of economic updates at numerous community forums and gatherings.

During 2010 Henrico County performed another of a series of successful bond sales that resulted in significant debt service savings. In May 2010,

General Obligation bonds were refunded at a True Interest Cost (TIC) of 3.08 percent, resulting in a savings of \$5.1 million. In total, debt service refunding activities in 2009 and 2010 have generated a total of \$17.74 million in savings. During FY2011, in July 2010, the County issued \$72.2 million in new General Obligation (G.O.) bond debt at a TIC of 3.07 percent. The issuance of these G.O. Bonds was approved on the March 2005 Referendum. The proceeds will fund projects for Schools, Libraries, Fire, Roads and Recreation and Parks.

Real Estate Assessment

The Real Estate Assessment Division is responsible for the review/reassessment of all real property in Henrico County, in conformance with the standards of Market Value and Uniformity as mandated by Article X of the Constitution of Virginia, Title 58.1 of the Code of Virginia, and Section 15.2 of the County Manager Act. Henrico County employs an annual countywide reassessment program using a Computer Assisted Mass Appraisal (CAMA) system. Changes in assessed value are based on actions of buyers and sellers in the local real estate market. The Real Estate Division maintains accurate and up-to-date records on each parcel of real estate in the County. These records reflect uniform, comprehensive, and descriptive data relative to location, improvements, ownership, sales information, and assessed value. The Real Estate Division is responsible for tracking all changes in assessed value including reassessment and new construction. Real estate assessment staff also provides valuation recommendations and administrative support to the County Board of Real Estate Review and Equalization. New subdivisions, parcel splits/combinations, deeds, wills, etc. recorded in the Clerk's Office of the Circuit Court of Henrico County are received and processed by the Real Estate Assessment Division. Also, accounts for individuals and properties eligible for assessment adjustments or exemption are catalogued.

As of January 1, 2011, the taxable assessed value of the County was approximately \$31.7 billion, a decrease of 0.98 percent, or \$314.8 million compared to January 1, 2010. The real estate

Finance (cont'd)

market continued to experience declines due to the economic downturn. The number of foreclosures, while small compared to the total number of parcels, continues to impact real estate valuations. However, the decline in total assessed value represents an improvement from the January 1, 2009 to January 1, 2010 drop in value of 7.82 percent. The appreciation of real estate usually lags an economic recovery, and the current, less severe decline in valuations confirms this premise.

The Real Estate Assessment Division is committed to providing the public and citizenry with accurate and up to date information for all real property with the highest level of customer service. For the calendar year 2010, the Real Estate Division processed 31,701 telephone inquiries and 4,187 walk-in requests for property information. An Interactive Voice Response (IVR) system provides residents and real estate professionals access to property data via touch-tone telephone 24 hours a day, 7 days a week. IVR received 66,939 requests for data during the 2010 assessment year.

The Real Estate Division administers a countywide Partial Real Estate Tax Credit program for qualifying Rehabilitated or renovated multi-family, commercial/industrial, and hotel/motel properties. The structure (building) for multi-family and commercial /industrial properties must be at least 26 years old and a minimum of 35 years for hotel/motel properties. In 2010, 22 property owners received \$508,109 in tax credits. The new "Reinvest" residential rehabilitation program was initiated January 1, 2010. Currently, 26 properties have applied, five of which have been completed with a total assessment credit of \$298,100, and a tax savings of \$2,593 based on the current tax rate.

The Real Estate Division manages a countywide Land Use program for the assessment of qualifying land based on agricultural, horticultural, forestry, or open-space use value rather than market value. Forestland eligibility includes a 20-acre minimum and other classifications require a 5-acre minimum. In 2010, 437 property owners participated in the program totaling approximately 30,000 acres.

Revenue

The Revenue Division consists of two sections: Business and Vehicle. The Business Section administers business license/personal property taxes within the County along with a variety of other taxes, including the monitoring of the relevant portion of the Virginia Sales and Use Tax attributable to Henrico County. The Vehicle Section administers vehicle license/personal property taxes within the County, as well as a variety of other taxes.

The total number of business licenses issued in calendar year 2008 totaled 21,691, with 22,618 and 23,892 issued in 2009 and 2010 respectively. The growth in business licenses issued from 2009 to 2010 represents an increase of 1,274 or 5.6 percent, and over the past two years this growth represents an increase of 2,201 or 10.1 percent. The upward trend in business licenses issued over this period is an indication of a slight change in local labor market demographics, where more citizens are pursuing individually or cooperatively owned local enterprises. In addition, this growth is also an indication of an improving economy.

This Division also offers assistance to citizens through the Real Estate Tax Advantage Program (REAP), which provides real estate tax relief for persons 65 years of age and older, or permanently and totally disabled persons so long as they own and occupy their home. For FY2011-12, the maximum net worth and income thresholds are \$350,000 and \$67,000, respectively. The County continues to award a maximum tax relief amount of \$3,000 per household. In addition, certain administrative changes to the program were initiated by the Board of Supervisors, which liberalized application deadline requirements in order to meet the tax relief needs of those seniors who fail to apply on time. Also, with the elimination of the matrix that previously determined the level of tax relief that could be awarded, all qualifying participants will receive tax relief for 100 percent of the taxes due up

Finance (cont'd)

to a maximum of \$3,000. REAP continues to provide immediate tax relief to a large percentage of seniors.



In addition to assessing these businesses for license and/or personal property taxes, the division continually seeks to improve the administrative duties to streamline processes. One example is the Division's continued design work on developing a combined business license/personal property system to improve efficiency in the entry and storage of sensitive taxpayer information, as well as enhance customer service performance by limiting wait time for taxpayers seeking to obtain a business license.

The Revenue Division continues its effort from the "Henrico, VA" initiative, which was implemented to reduce the miscoding of local tax revenues to area localities. Additional duties performed by the Division include the administration and collection of the Daily Rental Tax, Bank Franchise Fees, as well as auditing and collecting the Hotel/Motel Transient Occupancy Tax, Consumer Utility Tax and all applicable personal property taxes. The Division also monitors the County's portion of both the Virginia Communication Sales Tax, and the Sales and Use Tax.

Accounting

The Accounting Division has three operating sections: General Accounting, Payroll, and Accounts Payable. The General Accounting Section assigns and establishes all account coding, exercises

pre-audit control over receipts and disbursements, accumulates information to meet budget requirements, prepares financial statements, maintains inventory records of County property, maintains and supervises fixed assets, grants accounting, and complies with IRS arbitrage/rebate requirements. The Payroll Section audits and approves payrolls, issues checks, records all payroll deductions, deposits taxes withheld, and completes required reporting of such activity. The Accounts Payable Section verifies that expenditures are within the approved limits and exercises pre-audit control over expenditures and disbursement of funds.

The number of accounts payable transactions processed in Fiscal Years 2009 and 2010 were 197,707 and 195,509 respectively. It is projected that 197,000 accounts payable transactions will be processed during FY2011. In addition, the Division processes approximately 673 payroll checks and 18,380 payroll direct deposits per month. The Accounting Division, in cooperation with other areas of Administration, also facilitates information and provides as-needed assistance in the County's annual external audit. Despite the economic climate, the County audit assessment was distinctly favorable, further illustrating the soundness and conservative nature of Henrico County's fiscal management.

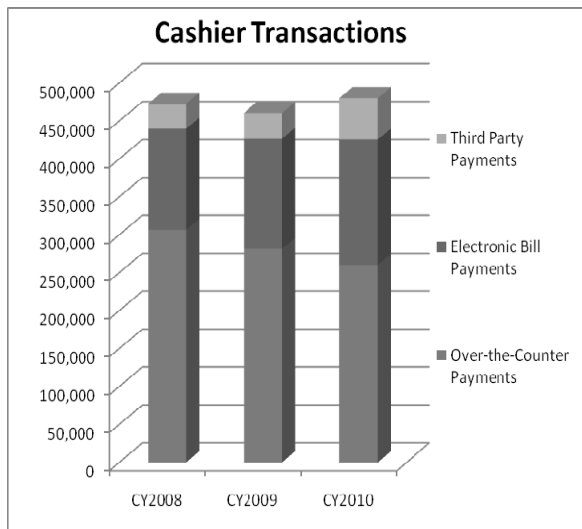
Treasury

The Treasury Division serves as the County's cashier function and provides tellers to collect taxes and utility payments. Treasury is also responsible for the billing of real estate and personal property taxes, along with the collection of delinquent taxes using the various tools provided by the Code of Virginia.

In July, 2008, the Division implemented the use of pin-based debit cards as an acceptable form of payment in the cashier offices at the Western and Eastern Government Centers and the Utility Cash Office. Between the months of July and December, 2008, there were a total of 4,030 pin-based debit card transactions. The number of transactions increased fourfold in 2009 to 16,057. In 2010, the number of pin-based debit card transactions increased to 22,157, an increase of 6,100 transactions, or 37.9 percent.

Finance (cont'd)

The Eastern and Western Government Center's Cashier offices, for calendar year 2010, processed 260,275 transactions, while Electronic Bill Payments increased from 145,116 in 2009, to 165,222 in 2010, and third-party credit card payments increased from 39,572 in 2009, to 54,399 in 2010. As a result of these alternative forms of payment, the Division is beginning to experience a reduction in the number of in-person payments.



The Lockbox Operation processed 536,912 transactions in 2009 and processed 540,202 transactions in 2010. The Customer Service-Account Maintenance function within Treasury also answered a total of 73,191 incoming telephone inquiries from citizens and handled 99,258 pieces of mail, and also performed 64,891 personal property and real estate customer account adjustments in 2010.

The Treasury Division also includes the compliance/enforcement team, which is responsible for the collection of delinquent taxes using various tools facilitated by provisions in the Code of Virginia. To promote and enforce payment of delinquent personal property taxes the Vehicle Registration Withholding process is used in collaboration with the Department of Motor Vehicles.

The Treasury Division – Delinquent Team also enforces payment of taxes via the Commonwealth of Virginia's Debt Set-Off Program (funds withheld from individual state income tax returns). In 2010,

this program produced \$686,805 in revenue from unpaid taxes, utility debts, library fees and miscellaneous items. These collections decreased from the 2009 total of \$768,420, emphasizing the success of the Division's goal toward promoting voluntary compliance. In addition, in 2010, the Division's Customer Service Team sent 22,280 applications for renewal of dog licenses.

Office of Management and Budget

The Office of Management and Budget (OMB) prepares and monitors the operating and capital budgets. This Division works closely with the County Manager's Office in monitoring current revenue collections and projecting future resources as a means of preparing a realistic budget for future fiscal years. Throughout the year, OMB maintains close contact with all operating departments to avoid deficit spending and to ensure the prudent use of County funds. In addition to preparing the budget, OMB conducts a comprehensive analysis of historic and current economic conditions in Henrico County, culminating in the creation of the Financial Trends Monitoring System. This document, which is completed every fiscal year, takes into account multiple economic factors and financial information to identify past trends that aid in the derivation of statistical models to accurately forecast the future economic health of the County.

It is also the responsibility of OMB to engage in special studies as they are deemed necessary, as well as conduct a thorough fiscal impact analysis of legislation proposed by the General Assembly. While Henrico County is clearly not immune to changes in the economy, it can mitigate the effects of adverse economic conditions through prudent and conservative fiscal policies. One of the many such proactive measures that the Board of Supervisors has implemented is to plan on a multi-year basis. This allows budgetary and fiscal planning to be conducted more accurately, based on exhaustive analyses of current and anticipated revenues and expenditures, in a thoroughly preparative fashion. Another of these measures was to keep incremental expenditure growth capped at an amount not to exceed five percent in any given fiscal year. This five percent figure is based on yearly Consumer Price Index statistics and a constant two percent population growth factor.

Finance (cont'd)

Limiting spending during strong economic times not only allows for prudent fiscal management in the short term, but also helps to prepare for more trying economic times in the long term. This has been proven true during the current economic downturn, as Henrico has been able to balance the FY2009-10, FY2010-11 and FY2011-12 budgets without tax increases, layoffs or service level reductions.

In addition, revenue projections are done on an extremely conservative basis, in accordance with

the multi-year planning approach that the County has adopted. Factors such as state aid, personal property tax and sales tax revenues, are some of the revenue sources that are estimated conservatively.

All of these efforts have contributed to the conservative nature of Henrico County's budgetary processes and fiscal policy, and to the exceptional services that the County provides for its citizens on a continual basis.

GENERAL SERVICES

Description

The Department of General Services is dedicated to providing quality support services for all County operations. The Department provides services in an effective, economical, and efficient manner, with pride and concern for those served. General Services is a diversified operation that consists of four divisions: Communications, Facilities Management, Support Services, and Risk Management.

Communications provides the County with an efficient and dependable communications infrastructure. It is responsible for the management, purchase, installation, and maintenance of all radios and the entire radio infrastructure for the County's 800 MHz trunked radio system. This infrastructure includes the Emergency E-911 system for Public Safety, Fire and Rescue Station alerting system, digital microwave network, six radio towers, and the regional prime site. The Henrico County radio infrastructure serves as the hub for the regional Smartzone radio system.

The Facilities Management Division is responsible for capital improvement projects, energy management, maintenance of the buildings and grounds, custodial services, food services, and security. Building and Grounds Maintenance provides a safe and clean environment for citizens and employees to conduct business by maintaining over 2,200,000 square feet of County buildings. Building Security safeguards County property and monitors the security of facilities through patrols and 24 hour per day security console operations. Capital

Construction Administration is responsible for administering capital projects in various stages of design and construction. Employee Food Services operates the cafeteria at the Western Government Complex and provides catering services to functions within the County complex and the Training Center.

Support Services is comprised of Purchasing, Records Management, and Central Automotive Maintenance. Purchasing is responsible for procuring goods and services required by County departments and Schools at the lowest price in a legally responsible manner. Purchasing also administers the surplus auctions and sales and is responsible for the information systems for the department by maintaining all personal computers, servers, and peripheral equipment. Records Management includes the Copy Center, mail delivery, and record retention functions. Central Automotive Maintenance (CAM) provides fleet management and automotive maintenance for the County. Details of CAM's budget can be found in the Internal Service Fund section of this book.

Risk Management manages the County and Schools' self-insurance funds and pays all workers' compensation, debt collection, liability, and property damage claims. This division also conducts defensive driving courses and responds to safety training requests from other agencies in addition to performing safety inspections. Details of Risk Management's budget can be found in the Internal Service Fund section of this book.

Annual Fiscal Plan

Description	FY10 Actual	FY11 Original	FY12 Approved	Change 11 to 12
Personnel	\$ 8,278,856	\$ 8,553,648	\$ 8,595,658	0.5%
Operation	7,238,214	7,558,732	7,451,204	(1.4%)
Capital	547,333	365,766	403,046	10.2%
Total	<u>\$ 16,064,403</u>	<u>\$ 16,478,146</u>	<u>\$ 16,449,908</u>	<u>(0.2%)</u>

Personnel Complement* 146 146 145 (1)

*One vacant position is being moved to the hold complement in FY2011-12.

General Services (cont'd)

Performance Measures				
	FY10	FY11	FY12	Change 11 to 12
Workload Measures				
Preventive Mechanical Maintenance Work Orders	2,720	3,000	3,200	200
Corrective Maintenance Work Orders	14,014	16,300	16,300	0
Square Feet Maintained	2,203,193	2,225,054	2,239,351	14,297
Radio System Work Orders	3,627	3,400	3,400	0

Objectives

- To provide County departments and agencies with effective support in the areas of centralized purchasing, food service, automotive maintenance and office support services so departments and agencies can effectively carry out their assigned functions.
- To provide professional leadership to County agencies for planning and construction of appropriate facilities, and to maintain them properly to provide a pleasant, comfortable, and aesthetically pleasing environment to work and conduct business.
- To provide the County with an efficient and dependable radio system infrastructure.

Budget Highlights

The Department's budget for FY2011-12 is \$16,449,908. This represents a decrease of 0.2 percent when compared to the FY2010-11 approved budget. Personnel increased by 0.5 percent over the FY2010-11 approved budget. This is the result of merit and health care increases that are offset by the removal of one vacant position, which was moved to the County's hold complement. The overall operating component decreased \$107,528, or 1.4 percent when compared to the FY2010-11 approved budget. This is the result of a number of targeted reductions in a number of areas. All fixed costs are fully funded in the FY2011-12 budget including electricity and heating services along with additional funding provided for new or expanded facilities in FY2011-12. Capital outlay expenditures in FY2011-12 will increase \$37,280, or 10.2 percent.

What follows is a more detailed synopsis of the Department's divisions.

Division of Communications

In FY2011-12, the Division of Communications' budget totals \$1,270,693, which reflects an increase of 2.8 percent when compared the FY2010-11 approved budget. Personnel expenditures are increasing \$65,692 due to merit and health care increases as well as the addition of a Radio Repair Technician in order to provide more maintenance support for the radio system. Adding this position that was reallocated from within General Services allowed operating expenditures to decrease \$46,377 by restructuring the radio contract. Capital outlay expenditures will total \$40,000 in order to replace radios and radio equipment throughout the fiscal year.

Division of Facilities Management

Maintenance & Custodial

In the Maintenance and Custodial section of Facilities Management, the budget for FY2011-12 is \$9,199,776, an increase of 0.2 percent over the FY2010-11 approved budget.

The personnel component is increasing by \$22,314, or 0.7 percent because of the budgeting of a merit increase as well as increases in the cost to provide health care. Overall operating expenditures are decreasing \$29,186. However, there are increases for new facilities totaling \$60,081 that somewhat offset the reductions in this area. The facilities that this funding will go towards are the Fire Station #3 renovation, the Juvenile Detention Home's medical expansion, and the Lakeside House expansion. This function of General Services provides building, custodial, and grounds maintenance at numerous County facilities, and coordination of the Training Center. The \$160,000 allocation remains for the

General Services (cont'd)

Division's Building Maintenance Program, which provides for the replacement of carpet and tile at County facilities on a regular schedule.

Security

The budget for the Security section of Facilities Management totals \$1,412,604, representing an increase of \$26,647, or 1.9 percent over the previous approved fiscal year. Personnel costs are increasing \$28,969, or 2.2 percent due to merit and health care increases. The decreases made to the operating component total \$2,292, or 4.9 percent. Security safeguards County property with a complement of 28 employees by monitoring the security of facilities through patrols and a 24-hour per day security console operation.

Administration

The General Services Administration budget totals \$1,930,341, representing a decrease of \$8,018 or 0.4 percent over the previous fiscal year. Personnel costs reflect a decrease of 0.2 percent due to the reduction in the rate for group life insurance and an increase in the amount budgeted for vacancy savings. These decreases are offset by increases for a merit adjustment and health care costs. The operating component is decreasing \$4,052 or 2.7 percent. No capital outlay expenditures are budgeted in Administration for FY2011-12. General Services Administration provides budgetary oversight and fiscal management to the four divisions.

Employee Cafeteria

In FY2011-12, the budget for Employee Cafeteria totals \$517,077, which reflects a decrease of \$34,942, or 6.3 percent when compared to the FY2010-11 budget. Personnel expenditures are decreasing \$30,234. Operating costs have been reduced \$4,618 or 2.5 percent due to reductions in outside temporary help services, cleaning supplies, and food. Capital outlay expenditures remain the same as in FY2010-11 at \$2,000. The Food Services area operates the cafeteria at the Western Government Complex with eight full-time positions.

Division of Support Services

Purchasing

In FY2011-12, the budget for the Purchasing office is \$1,665,268, a decrease of \$3,975 or 0.2 percent from FY2010-11. The personnel component is increasing \$8,686 or 0.8 percent due to adjustments for a merit increase and health care costs. Overall, operating expenditures are decreasing \$13,936 or 2.6 percent while capital outlay expenditures are increasing \$1,275. The Purchasing, Records Management, Communications, and Risk Management sections of General Services currently reside in the North Run offices.

Records Management

The FY2011-12 budget of \$454,199 for the Records Management office is a decrease of \$57,178 or 11.2 percent when compared to the FY2010-11 approved budget. This decrease is attributed to moving one vacant position to the County's hold complement. Records Management has eight employees to operate the County's internal mail system, copy center, print shop, and the County's offsite record storage.

Central Automotive Maintenance

The budget for this area is captured in the Internal Service Fund as opposed to the General Fund since funding for operations are provided primarily through inter-departmental billings. Central Automotive Maintenance (CAM) is the area within the Department of General Services that maintains all County motorized equipment; operates eight self-service fueling facilities throughout the County; and leases vehicles to departments on a monthly or daily basis.

Division of Risk Management

The budget for this area is reflected within the Internal Service Fund Series. The Risk Management budget is included within the Internal Service Fund Series because the division provides services to General Government (including the Department of Public Utilities) and Schools. The Division is responsible for the management of the self-insurance fund, administration of workers' compensation, auto, property and liability claims, loss prevention, and safety training.

INTERNAL AUDIT

Description

Internal Audit assists the County Manager and the Board of Supervisors by providing objective analyses, recommendations, advice and comments concerning those cases reviewed to ensure an appropriate level of control at a reasonable cost. To be effective, Internal Audit must maintain independence, and therefore reports directly to the County Manager and the Audit Committee of the Board of Supervisors. The focus of Internal Audit is on General Government, as Education has a separate internal audit function.

The auditing environment has become increasingly complex and challenging as the County and its agencies implement additional technology. To meet this challenge, Internal Audit uses enhanced software for both auditing processes and testing data. The Office employs these enhanced auditing technologies in all of its audits to better examine activity in a cost effective manner.

- Follow up on prior internal audits to determine that agreed upon management action plans have been effectively implemented to address the risks identified during the audits.
- Assist with the County's external audit.
- Advise County management and the County's Audit Committee on potential improvements in operations and results through technical assistance.
- Audit special projects and recommend corrective action as required.
- Administer office activities for continuous professional education, training, and skills development, ensuring excellent quality and adherence to independent auditing with integrity.

Objectives

- Perform an annual risk assessment, identify areas of risk for audit, and conduct internal audits to evaluate controls, note commendable practices, and recommend workable improvements.

Annual Fiscal Plan

Description	FY10 Actual	FY11 Original	FY12 Approved	Change 11 to 12
Personnel	\$ 365,249	\$ 363,431	\$ 375,164	3.2%
Operation	33,156	12,954	12,206	(5.8%)
Capital	0	0	0	0.0%
Total	<u>\$ 398,405</u>	<u>\$ 376,385</u>	<u>\$ 387,370</u>	<u>2.9%</u>

Personnel Complement	4	4	4	0
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Internal Audit (cont'd)

Performance Measures				
	FY10	FY11	FY12	Change 11 to 12
Workload Measures				
Audit Projects: Audits, Follow Ups, Consults	22	26	26	0
Efficiency Measure				
General Gov't budget/audit position (mil)	\$145	\$141	\$145	\$4
General Gov't employees/audit position	978	981	981	0

Budget Highlights

Internal Audit examines and evaluates the adequacy and effectiveness of internal controls plus the quality of performance for improvement of accountability within General Government. Assessing quality of performance includes appraising the reliability and integrity of financial and operating information plus the means to process data; evaluating the sufficiency of compliance with significant plans, policies, procedures, laws and regulations; ascertaining the adequacy of controls for safeguarding General Government assets and, as appropriate, verifying asset existence; examining efficient use of General Government resources and program accomplishments.

Internal Audit's FY2011-12 approved budget of \$387,370 represents a 2.9 percent increase over

the FY2010-11 approved budget. The increase in personnel accounts for the entire departmental increase and is due to salary and corresponding benefits increases. The increase in personnel was partially offset by the budgeting of a 2.75 percent vacancy savings. The total personnel component of the budget increased by \$11,733, or 3.2 percent. The operating budget is decreasing by \$748, or 5.8 percent.

Service levels will continue at current levels on audits, special projects and follow-ups. The fraud reporting website may generate additional special projects. Technical assistance will be provided to agencies as requested and to the external auditors as contracted.

INFORMATION TECHNOLOGY

Description

The Department of Information Technology is responsible for serving all computer-oriented information processing needs of County agencies. This includes information and office automation equipment selection, application development and/or software selection assistance, ongoing hardware and software maintenance, and data and telecommunications network development and support. The computer center operates 24 hours a day, 7 days a week. Major areas of service include Finance, Public Utilities, General Services, Human Resources, and all Public Safety agencies. A Customer Service Center, with help desk and work station support services, is available to provide assistance to agency personnel on computer related problems.

The Department also administers and maintains the County's telecommunications infrastructure including telephone systems, cell phones, pagers, and the voice and data plant. In addition, the Department is responsible for the maintenance of the Emergency E-911 system for Public Safety.

Objectives

- To assist County agencies in increasing efficiency and effectiveness through the use of advanced technological tools for administrative and field operations.
- To provide application development and/or software selection services.
- To maintain operational efficiency through the use of state-of-the-art equipment and software.
- To administer the Department's information technology resources in a manner that best serves the County's operational and customer service needs.
- To maintain the highest level of proficiency of staff in all areas of technical support.
- To host and support various enterprise applications, including email and Internet connections, to all County agencies.
- To monitor, maintain, and upgrade the County's local and wide area network (LAN/WAN) as efficiently and effectively as possible.
- To provide enterprise server based computer capabilities to County agencies.

Annual Fiscal Plan

Description	FY10 Actual	FY11 Original	FY12 Approved	Change 11 to 12
Personnel	\$ 7,708,970	\$ 7,979,753	\$ 8,028,245	0.6%
Operation	2,050,482	3,636,297	3,972,444	9.2%
Capital	202,517	463,680	463,680	0.0%
Total	<u>\$ 9,961,969</u>	<u>\$ 12,079,730</u>	<u>\$ 12,464,369</u>	<u>3.2%</u>

Personnel Complement* 83 83 82 (1)

*One vacant position was removed from the complement and placed in the Human Resources' hold complement.

Performance Measures				
	FY10	FY11	FY12	Change 11 to 12
Workload Measures				
Henrico Internet Pages Accessed	19,212,527	19,294,500	19,323,000	28,500
Henrico Internet Number of Visits	2,269,242	2,252,000	2,260,000	8,000
Efficiency Measures				
Central Computer Average Uptime	99.80 %	99.80%	99.80 %	0.00 %

- To provide the County with an efficient and dependable communications network.

Budget Highlights

The Department of Information Technology's (IT) FY2011-12 approved budget is \$12,464,369, which represents an increase of \$384,639 or 3.2 percent from the previous approved budget. The personnel component increased by a net difference of \$48,492 or 0.6 percent from the previous approved fiscal year. This increase was driven by merit adjustments as well as an increase in health care expenditures. These increases were offset by the removal of one vacant position from the complement, the reduction in VRS life insurance, and budgeted vacancy savings.

Although the personnel component is a driver of the approved increase, operating expenditures played an important role as well. The operating component is forecasted to increase by a net difference of \$336,147 or 9.2 percent from the previous approved budget. This was driven by an increase in maintenance service contracts for computers totaling \$443,000, which was transferred from Human Resources - \$322,000 and Finance - \$121,000, respectively, in order to centralize the ongoing Oracle maintenance cost. This increase was offset by the reduction of other professional services totaling \$96,618 in order to meet the operating budget adjustment. It is important to note that funding of \$10,235 was removed from technology replacement to reflect a County-wide adjustment.

The capital component is forecasted to remain flat at \$463,680. This portion of the budget allows for the purchase of new and replacement computer

equipment as well as replacement telecommunications equipment.

During FY2011-12, the Department of Information Technology will continue expanding its virtual server environment. A large percentage of the servers currently supported by IT use little processing power – 1.0 percent to 5.0 percent of the total available “horsepower” on each box – to run their respective applications. Multiple virtualized servers can run on each server in this new environment. Currently IT has approximately 100 virtual servers running on 7 physical servers. The goal of Information Technology is to continue to virtualize where practical.

Also during the past fiscal year, Information Technology completed its data center revitalization of the County's central network switches which increased its overall speed from 1 to 10 gbs. This effort will be expanded in the next fiscal year to upgrade the technology from the data center out through the communication closets to the desktops.

The County's data network has been a solid, stable platform for many years that has, by design, remained static. There are a number of new technologies emerging, such as Voice Over Internet Protocol (VOIP) telephone solutions, that require new network features that Henrico cannot currently support. The rebuild of the network, which will include laying new fiber optic cable to all locations in Henrico, will position the County to take advantage of these new technologies and allow transmission of voice, data and video over the same infrastructure.

While large savings have already been achieved, IT

Information Technology (cont'd)

continues to review telecommunications costs. IT is reviewing VOIP telephone systems as a next step after refreshing the data network infrastructure.

One of the strong features of the VMWare virtual technology is the ability to easily replicate data at an off-site location and quickly restore data to an operational center once the damaged or destroyed hardware has been replaced.

Also in the coming year the Department will continue to review new technology. Some of these

new technologies are LTE (faster mobile wireless), VOIP (phones using the data network), desktop PC virtualization, Windows7 desktop operating system, and Open Office software, which will eliminate the need to purchase individual software packages. A major project continuing in the upcoming fiscal year is the Department of Finance's replacement of their legacy billing systems with a single third-party product. Additionally, the County anticipates the implementation of a new 911 emergency response system by the end of 2011.

REAL PROPERTY

Description

The Real Property Department plans and supervises the administration of the acquisition, leasing and disposal of real property (real estate) for the County of Henrico, including General Government and Schools. The Department advises and makes recommendations to the County Manager, Deputy County Managers, the Board of Supervisors and the School Board regarding these properties and performs related work as directed. The Department's experienced and professional staff work daily in cooperation with departments including, but not limited to, Public Utilities, Public Works, Recreation and Parks, Planning, Schools and the County Attorney's Office. The department also prepares presentations for public forums such as Board of Supervisors' Meetings, Magisterial District Meetings, and in court, when necessary. Furthermore, the Department, as directed, represents the County in negotiations with its citizens for the acquisition and/or disposal of real estate. The Department offers and provides its services and assistance on real estate related matters to citizens having real property matters with the County and/or its various departments.

- To perform the necessary administrative duties required for the acquisition, leasing and disposal of real property for the County Government and the County School Board.

Budget Highlights

The Real Property Department will continue to maintain the existing level of services to the County and the public in FY2011-12. In addition to providing assistance to the public, the Real Property Department processes the vacation and/or abandonment of roads, alleys, and easements. Real Property will continue to manage approximately 100 County-leased properties. Currently, this includes leases for the Department of Mental Health/Developmental Services, many of which are properties for supervised Independent Living Programs for the mentally handicapped, as well as office spaces and storage facilities for other departments such as Public Libraries, Recreation, Public Utilities, and Police. Also leased is a house and the former Henrico Federal Credit Union property east of Dixon Powers Drive, which were acquired for future Government Center expansion. Real Property also manages cell tower leases and receives weekly requests to review new sites or additional facilities at existing sites.

Although regular easement requests are still being processed, the slow-down in real estate activity has reduced the number of easement requests received.

Objectives

- To acquire real estate by purchase or lease at fair market value.
- To dispose of surplus real estate owned by the County at the maximum value permitted by law.

Annual Fiscal Plan

Description	FY10 Actual	FY11 Original	FY12 Approved	Change 11 to 12
Personnel	\$ 540,454	\$ 548,433	\$ 554,844	1.2%
Operation	20,168	23,573	21,994	(6.7%)
Capital	0	0	0	0.0%
Total	<u>\$ 560,622</u>	<u>\$ 572,006</u>	<u>\$ 576,838</u>	<u>0.8%</u>
Personnel Complement	7	7	7	0

Real Property (cont'd)

Performance Measures				
	FY10	FY11	FY12	Changes 11 to 12
Workload Measures				
Leases Managed	101	100	101	1
Parcels & Easements Acquired	101	90	90	0
Vacations, Quitclaims & Surplus Parcels	12	15	15	0
Utility Easements to Others	6	6	6	0
Easements for Developers	55	55	60	5

The Department anticipates steady requests from the Department of Public Works and the Department of Public Utilities for road, drainage and utility projects.

The Department will continue to assist Schools in the acquisition of land and easements for new and existing schools.

ELECTORAL BOARD

Description

The General Registrar provides appropriate forms for those registering to vote, maintains the official voter registration records for Henrico County, and other duties defined in the Code of Virginia and by the State Board of Elections. The official voter registration records allow the Registrar to provide an accurate list of voters to each polling place. The Henrico County Electoral Board delegates to the General Registrar the duties of arranging and supervising the elections held in Henrico County. The mission statement of the Office of Voter Registration and Elections is: *To promote consistent administration of all elections, registration and campaign finance laws, rules and regulations.*

Objectives

- To provide fair and honest Federal, Commonwealth and County elections to qualified registered voters of the County of Henrico.
- To offer absentee voting to all qualified voters of the County of Henrico who request this service.
- To ensure the number of absentee voters is correctly projected, all absentee requests are reported, and issue correct ballots to each voter.
- To provide information about the requirements, procedures, and codes governing campaign reporting.
- To educate staff and poll workers on registration and election laws as well as voting procedures.
- To ensure every precinct conducts fair and impartial elections.
- To provide information to the public regarding the administration of elections in the County and Commonwealth.
- To attend educational seminars relevant to changes in election laws and policy procedures.
- To provide training to all chiefs and assistant chiefs before each election is conducted.
- To ensure the programming of ballots is designed in a timely manner to permit voters to cast and mail ballots to the Registrar's office before the voting deadline for each election.
- To ensure all required media advertisement from Virginia General Code is published.

Annual Fiscal Plan

<u>Description</u>	<u>FY10 Actual</u>	<u>FY11 Original</u>	<u>FY12 Approved</u>	<u>Change 11 to 12</u>
Personnel	\$ 825,215	\$ 1,085,538	\$ 1,046,491	(3.6%)
Operation	286,793	310,559	301,528	(2.9%)
Capital	4,144	0	0	0.0%
Total	<u>\$ 1,116,152</u>	<u>\$ 1,396,097</u>	<u>\$ 1,348,019</u>	<u>(3.4%)</u>
Personnel Complement*	9	9	8	(1)

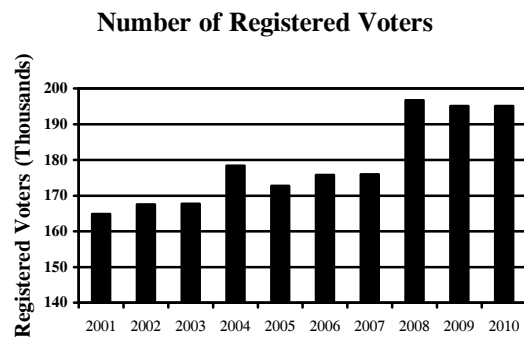
*Complement does not include 1 Complement IV position, whose salary is set and funded by the State.
One position will move to the County's hold complement in FY2011-12

Performance Measures				
	FY10	FY11	FY12	Change 11 to 12
Workload Measures				
Number of Registered Voters	195,108	197,091	199,546	2,455
Efficiency Measures				
% of Manuals Published before Training	100%	100 %	100 %	0
% of Attendance for All Chief and Assistants	100%	100 %	100 %	0
% Accuracy of Daily Registration Reports	99%	100 %	100 %	0
% of Polling Locations Meeting ADA	100%	100 %	100 %	0
% of Ballots Passing Public Testing	100%	100 %	100 %	0
% of Ballots Cast Reconciled with Voters	100%	100 %	100 %	0
% of Candidates Receiving Filing Manuals	100%	100 %	100 %	0

- To ensure a safe and secure voting environment is provided to each voter.
- To ensure precinct manuals on Election Day procedures and actions are supplied to all precinct workers.
- To ensure all poll workers are notified of training dates before each election.
- To collect information on candidates' contributions, committees, and treasurers.
- To record all candidate filings for upcoming elections.
- To provide regulation advice for political advertising.
- To attend workshops related to campaign reporting relevant to changes in Election code or policy procedures.
- To provide required forms and supplies to candidates, treasurers, and committees.

percent when compared to the FY2010-11 approved budget. Personnel costs are budgeted to decrease \$39,047 or 3.6 percent when compared to FY2010-11 due to moving of one vacant position to the hold complement. The operating component is \$301,528, which is a decrease of \$9,031, or 2.9 percent when compared to the FY2010-11 budget. There is no capital outlay in the Electoral Board's budget.

The Registrar and Electoral Board's budget for FY2011-12 is forecasted to cover costs associated with the General Election on November 8, 2011 and potential Primary Elections in the summer of 2011 and spring of 2012.



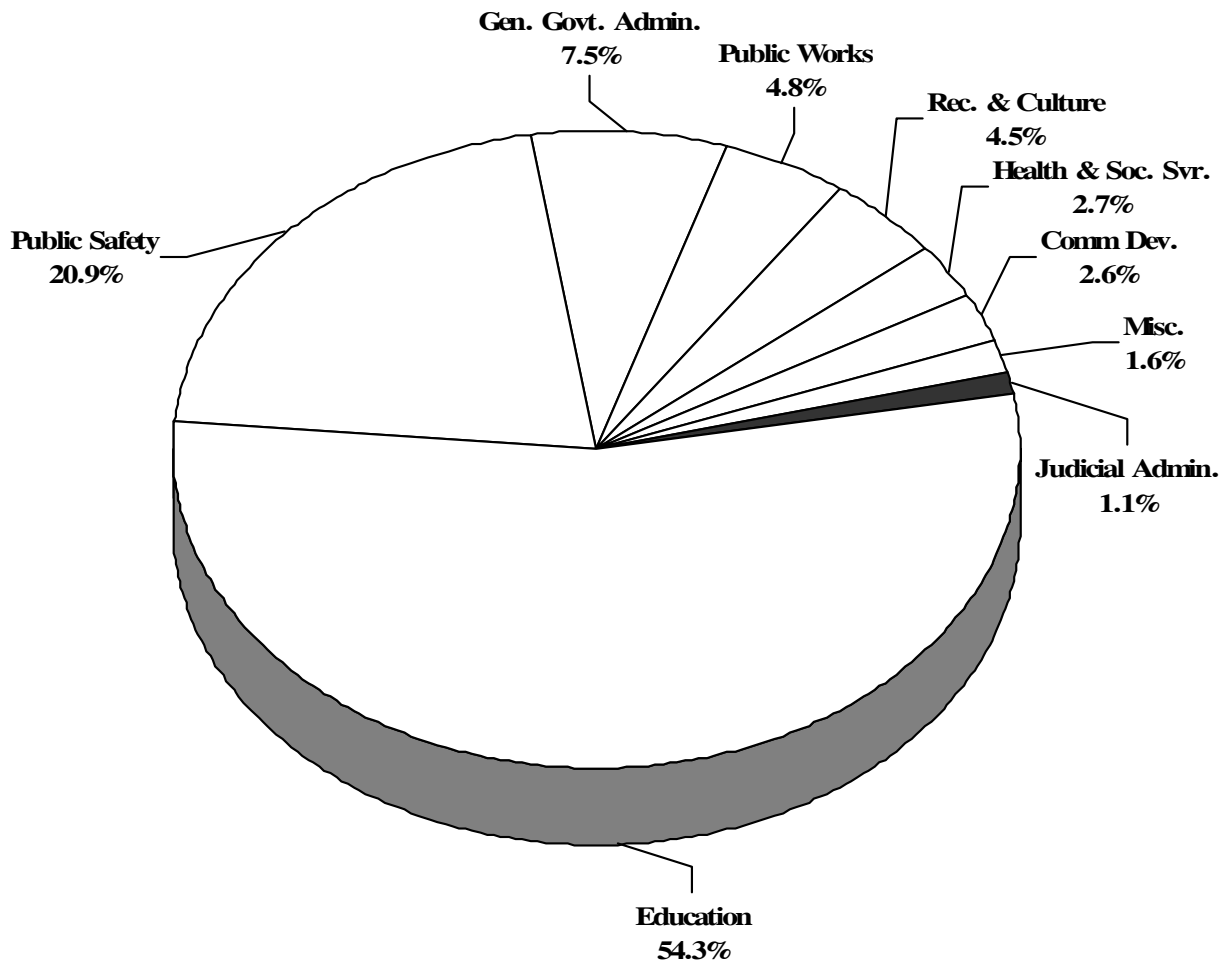
Budget Highlights

The Department's budget for FY2011-12 is \$1,348,019, which represents a decrease of 3.4

COUNTY OF HENRICO, VIRGINIA

Judicial Administration

\$8,049,983



Total General Fund

\$743,661,366

**COUNTY OF HENRICO, VIRGINIA
JUDICIAL ADMINISTRATION - GENERAL FUND
FY 2011-12**

<u>Department</u>	<u>FY 09-10 Actual</u>	<u>FY 10-11 Original</u>	<u>FY 11-12 Approved</u>
Circuit Court:			
Court Clerk	\$2,432,566	\$2,396,278	\$2,422,593
Court Services	<u>508,198</u>	<u>524,171</u>	<u>527,204</u>
Total Circuit Court	2,940,764	2,920,449	2,949,797
General District Court:			
Court Services	259,687	211,206	208,076
Magistrates	<u>7,439</u>	<u>6,996</u>	<u>6,821</u>
Total General District Court	267,126	218,202	214,897
Juvenile and Domestic Relations District Court:			
Court Services	76,577	60,080	215,539
Juvenile Probation	<u>221,227</u>	<u>222,098</u>	<u>26,537</u>
Total Juvenile District Court	297,804	282,178	242,076
Commonwealth's Attorney	4,514,206	4,555,170	4,643,213
Total Judicial Administration	<u><u>\$8,019,900</u></u>	<u><u>\$7,975,999</u></u>	<u><u>\$8,049,983</u></u>

CIRCUIT COURT

Court Clerk

Description

The Circuit Court Clerk is a Constitutional Officer elected for a term of eight years, who serves as the administrative officer of the Circuit Court, is the Register of Deeds, and serves as a Probate Judge serves in other states. The Circuit Court Clerk is responsible for maintaining and administering the files in felony cases, claims over \$15,000, matters including adoptions, divorces, disputes concerning wills and estates, controversies involving property as well as maintaining and administering the files for misdemeanor appeals and civil appeals from District Court. The Clerk is also responsible for the collection of fines and costs in criminal cases; the collection of recordation fees and taxes; and maintains a financial system to track the collections and remittance of these sums to the State and local governments.

The land records, which need to be retained permanently by the Clerk, include deeds, surveys, wills, the indices for judgments, financing statements, and assumed names (or partnership names). The land records section of the Clerk's office contains a portion of the history of the County of Henrico and the importance of preserving these records is imperative.

Objectives

- To provide access to all public records using technology to the extent allowed by law.
- To maintain and preserve the integrity of all documents of historical value to the County.
- To provide services to the public in the areas of land records, marriage licenses, and probates of wills.
- To efficiently assist attorneys and the public in all areas of the Clerk's Office.

Budget Highlights

The Circuit Court Clerk's budget of \$2,422,593 represents a net increase of \$26,315 or 1.1 percent over the FY2010-11 approved budget. The personnel component increased by a net difference of \$33,451 or 1.6 percent due to merit adjustments as well as the rising health care expenditures. This increase was offset by the reduction of VRS life insurance and budgeted vacancy savings.

Annual Fiscal Plan

Description	FY10 Actual	FY11 Original	FY12 Approved	Change 11 to 12
Personnel	\$ 2,039,683	\$ 2,110,834	\$ 2,144,285	1.6%
Operation	344,906	283,868	278,308	(2.0%)
Capital	47,977	1,576	0	(100.0%)
Total	<u>\$ 2,432,566</u>	<u>\$ 2,396,278</u>	<u>\$ 2,422,593</u>	<u>1.1%</u>
Personnel Complement	N/A	N/A	N/A	N/A

Note: The Circuit Court Clerk positions [38] are funded by the State and are either Complement III or IV positions.

Performance Measures				
	FY10	FY11	FY12	Change 11 to 12
Workload Measures				
Civil Cases Commenced	3,104	3,212	3,200	(12)
Criminal Cases Commenced	7,133	6,981	7,500	519
Number of Wills and Administrations Recorded	1,018	1,110	1,200	90
Number of Instruments Recorded in Deed Books	50,440	42,486	43,000	514
Marriage Licenses Issued	1,018	1,802	2,000	198
Number of Judgments Docketed	18,340	20,750	21,000	250
Concealed Weapon Permits Issued	1,940	1,371	1,500	129

The operating component is forecasted to decrease by a net difference of \$5,560 or 2.0 percent from the previous approved budget in order to meet the operating budget adjustment. The capital component decreased by \$1,576 or 100.0 percent from the previous fiscal year in order to reallocate funding to the operating component.

Pursuant to Virginia Code Section 17.1-279, the Clerk collects a \$5.00 technology fee on all instruments recorded in the land books, judgments docketed, and all civil suits commenced. Of this total, \$4.00 is to be reimbursed to the locality by the Compensation Board to support technology efforts within the Clerk's office. The Clerk implemented an electronic recording system in the Clerk's office and currently maintains deeds, plats, judgments, wills and fiduciaries, criminal orders, and civil orders.

Pursuant to the Code of Virginia, *"Every circuit court clerk shall provide secure remote access to land records...on or before July 1, 2008."* The Clerk made available via a secure remote paid site, the deeds, judgments, and financing statements effective July 1, 2008. All users are required to enter into a subscription agreement and payment is made before access is granted. Currently, approximately 110 users have subscribed to the service through the Clerk's service provider.

It should be noted that this revenue source was moved into the State General Fund in FY2010-11. The funds are then drawn as a line of credit by the Circuit Court Clerk. This revenue source is not included in the approved budget, but is appropriated during the fiscal year as the Compensation Board makes funds available. Upon the implementation of the secure remote site to land records, the Code of Virginia provides that the Clerk can apply to the Compensation Board to implement other technology projects within the office. In September 2010, funding of \$348,783, which was appropriated during the prior year from funding received by the Virginia Compensation Board, was reappropriated to be spent during FY2010-11. The appropriation of funds have been used to comply with the Code of Virginia to remove social security numbers from the secure remote access site by 2011; implement a file tracking system for court records; improve the Clerk's ability to track files within the office; and upgrade software to current systems.

Also of further interest is the reduction in excess clerk fees to the local government. These fees were reduced by 50.0 percent in the previous State budget cycle. This reduces the amount of funds reimbursed to the locality by the Commonwealth from the collection of fees by the Circuit Court Clerk.

CIRCUIT COURT

Court Services

Description

The Circuit Court of Henrico County (Fourteenth Judicial Circuit) is the trial court of general jurisdiction with the authority to try a full range of civil, chancery/equity and criminal cases.

In civil cases, the Circuit Court exercises concurrent jurisdiction with the General District Court in money claims of one to fifteen thousand dollars, and original jurisdiction for claims over fifteen thousand dollars. Also included on the civil docket are condemnation trials.

In criminal cases, the Circuit Court has jurisdiction over the trials of misdemeanor and felony cases – offenses punishable by confinement in jails and/or other correctional institutions. Court costs and fines are assessed in court against those charged.

The Circuit Court also exercises jurisdiction in domestic and other chancery/equity cases. This includes all divorce matters, as well as disputes concerning wills and estates, guardianships and partition suits.

The Circuit Court exercises appellate jurisdiction over appeals of civil and criminal matters from the Henrico Juvenile and Domestic Relations District Court and the Henrico General District Court. Circuit Court judges also hear appeals from certain administrative agencies in the Commonwealth and Henrico County.

Objectives

- To administer justice fairly, according to applicable laws, in a timely manner.
- To operate an efficient and effective court system in the administration of justice for the citizens of Henrico County.

Budget Highlights

There are five judges elected to the Circuit Court by the General Assembly of Virginia, each for a term of eight years. One Judge is elected Chief Judge every two years, usually on a rotating basis. The Chief Judge serves as the administrative judge of the support staff, which consists of one part-time and four full-time clerical positions, and three law clerks. The Judges' salaries are paid directly by the Commonwealth. In 2007, the Judicial Council approved a sixth judge for the Circuit Court, but as of 2010 the sixth judge has not been approved by the General Assembly. Fines and costs against those found guilty in certain felony and misdemeanor cases from Henrico charges are assessed by the judges. These fines and costs are collected by the Circuit Court Clerk's Office.

Circuit Court Services' FY2011-12 approved budget of \$527,204 represents an increase of 0.6 percent from the prior year approved budget. The operating budget decreased by \$1,309, or 2.5 percent from the prior year approved budget. Service levels of this

Annual Fiscal Plan

Description	FY10 Actual	FY11 Original	FY12 Approved	Change 11 to 12
Personnel	\$ 446,435	\$ 471,818	\$ 476,160	0.9%
Operation	60,230	46,753	45,444	(2.8%)
Capital	1,533	5,600	5,600	0.0%
Total	<u>\$ 508,198</u>	<u>\$ 524,171</u>	<u>\$ 527,204</u>	<u>0.6%</u>
Personnel Complement	8	8	8	0

Circuit Court Services (cont'd)

	Performance Measures			
	FY10	FY11	FY12	Change 11 to 12
Workload Measures				
Full Time Judges	5	5 *	5 *	0
Jury Commissioners	6	6	6	0
Citizens Eligible to Serve as Petit Jurors	4,500	4,500	4,500	0
Citizens Called to Serve as Petit Jurors	4,200	4,200	4,200	0
Jury Panels	700	700	700	0
Grand Jurors Called to Serve	108	108	108	0
Grand Jurors on Master Panel	120	120	120	0

*Judge Burnett Miller III retired January 2011, leaving 4 judges for remainder of FY2010-11. The 2011 Session of the General Assembly approved filling the vacant judgeship in FY2011-12.

court are governed by the number of cases filed each year – criminal, civil law, chancery law (including divorces) along with those carried over from the past year, and requests for juries. According to the 2009 State of the Judiciary Report, caseload for the Fourteenth Circuit showed that 9,970 cases (civil and criminal) commenced in 2009, with an average of 1,994 per judge, ranking 12th in the state. There were 6,882 total criminal cases commenced, with an average of 1,376 per judge, ranking 10th among the 31 circuits.

There were 3,088 civil cases commenced, with an average of 618 per judge, ranking 17th among the 31 circuits. The total number of cases (civil and criminal) concluded were 9,668 in 2009, with an average of 1,934 per judge, ranking 11th in the state. There were 2,605 civil cases concluded, averaging 521 per judge and 7,063 criminal cases concluded,

averaging 1,413 per judge. The five judges in the Fourteenth Circuit had a clearance rate of 97.0 percent, ranking 18th in the state.

Individual judges also actively participate in organizations, committees and programs outside of their everyday duties in the courtroom, including but not limited to the Virginia Criminal Sentencing Commission, the Benchbook Committee, the Drug Court Program, Virginia Continuing Legal Education and Bench Bar Conference. The judges make themselves available for Three Judge Panels at the request of the Chief Justice and any other committee or panel the Chief Justice may request of them. In addition to these activities, judges also participate in mock trials conducted by the University of Richmond School of Law and by local high school students, as well as mock trials for police officer training.

GENERAL DISTRICT COURT

Court Services

Description

The General District Court exercises original jurisdiction over all misdemeanor cases and also has jurisdiction over civil matters where less than fifteen thousand dollars is involved. Preliminary hearings in felony cases are also conducted in this court. In addition, General District Court judges preside over traffic cases and certain violations of the County Code. There are four judges serving in this court, having been appointed by the General Assembly for a term of six years. The judges, clerk, and deputy clerks are all paid directly by the Commonwealth. The County provides space, furniture, and support for the General District Court.

- To maintain an accurate accounting of court funds.
- To provide adequate maintenance, storage and retrieval of court records.

Budget Highlights

The General District Court's FY2011-12 approved budget of \$208,076 represents a \$3,130 or 1.5 percent decrease from the FY2010-11 approved budget. The budget is to support the daily operation of the General District Court, which consists of four courtrooms and administrative offices, occupied by four judges and 30 employees. The staff of the General District Court is comprised entirely of state employees, so all personnel costs are paid by the Commonwealth of Virginia and are not reflected in this budget.

Objectives

- To ensure the efficient operation of the General District Court through support of the activities of the Clerk's office.
- To maintain accurate and timely court records.

Annual Fiscal Plan

Description	FY10 Actual	FY11 Original	FY12 Approved	Change 11 to 12
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	259,222	211,206	208,076	(1.5%)
Capital	465	0	0	0.0%
Total	<u>\$ 259,687</u>	<u>\$ 211,206</u>	<u>\$ 208,076</u>	<u>(1.5%)</u>
Personnel Complement	N/A	N/A	N/A	N/A

*Personnel expenses are paid by the Commonwealth of Virginia

General District Court Services (cont'd)

Performance Measures				
	FY10	FY11	FY12	Change 11 to 12
Workload Measures				
Total New Cases Filed	129,167	131,076	131,076	0
Total New Criminal Cases Filed	10,620	11,698	11,698	0
Total New Civil Cases Filed	42,329	41,459	41,459	0
Total New Traffic Cases Filed	76,218	77,919	77,919	0
Number of Full-Time Judges	4	4	4	0

*Note: These estimates are prepared by State Supreme Court Personnel

A 2.5 percent reduction to the operating budget was calculated excluding the \$86,000 increase in Legal Services Fees in FY11, to cover an increased need for indigent legal services. This is the result of DUIs that are now filed under Henrico County, versus State warrant. While Henrico County receives the additional revenue generated from the fines associated with DUIs, there is a corresponding cost

for cases where indigent legal services are required. The cost for this service is monitored throughout the year and adjustments to the budget are made according to the General District Court's need.

All personnel costs for this office are paid by the Commonwealth of Virginia.

GENERAL DISTRICT COURT

Magistrate

Description

The principal function of the Magistrate's office is to provide independent review of complaints from police officers, sheriff's deputies, and residents. These complaints provide the magistrate with facts needed to determine whether a warrant of arrest should be issued. In addition to issuing warrants of arrest, magistrates conduct bail hearings, commit offenders to jail, and release prisoners from jail. The Magistrate's office operates under the supervision of the Supreme Court of Virginia.

Objectives

- To provide efficient, unbiased, and professional services to law enforcement officers, mental health professionals, and citizens.
- To cooperate with the Sheriff's department to try to develop a more efficient means of committing defendants and releasing those who have posted bonds.

Budget Highlights

This is the thirteenth year that the Magistrate's operation will be budgeted separately from the Clerk of the General District Court. This change has allowed for better flexibility in meeting the operational needs of each office. The FY2011-12 approved budget equals \$6,821, a reduction of 2.5 percent from the prior year approved budget. Funding in FY2011-12 will continue to support the daily operation for nine Magistrates. There are no County paid positions assigned to this office, as the nine magistrates are State employees. The County does provide space, furnishings, and operating expenses for the Magistrate's office.

Annual Fiscal Plan

Description	FY10 Actual	FY11 Original	FY12 Approved	Change 11 to 12
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	7,314	6,996	6,821	(2.5%)
Capital	125	0	0	0.0%
Total	<u>\$ 7,439</u>	<u>\$ 6,996</u>	<u>\$ 6,821</u>	<u>(2.5%)</u>
Personnel Complement*	N/A	N/A	N/A	N/A

*Personnel Expenses are paid by the Commonwealth of Virginia

JUVENILE & DOMESTIC RELATIONS DISTRICT COURT

Court Services

Description

The Juvenile and Domestic Relations District Court exercises original jurisdiction over cases involving persons less than 18 years of age and all members of their families regardless of age. This court also holds jurisdiction over other cases involving adults related by blood or marriage to persons under the age of 18, including spousal abuse, custody, visitation, and support.

Juvenile court differs from other courts in their commitment to rehabilitate those who come before the court, in addition to protecting the public and holding juvenile offenders accountable for their behavior.

The five judges of the Juvenile and Domestic Relations District Court are elected by the General Assembly for a term of six years. The Judges, Clerk, and Deputy Clerks are paid directly by the Commonwealth. The County provides space, furniture, and support for the court.

Objectives

- To continue the improvement of the customer service area of the Clerk's office to provide more efficient service delivery to the public.

- To evaluate and implement innovative technology available for the Juvenile and Domestic Relations District Court.
- To continue to provide training opportunities to staff in providing services to the public.
- To ensure the efficient and effective operation of the Juvenile and Domestic Relations District Court for the citizens of Henrico County.

Budget Highlights

The Juvenile Court's FY2011-12 approved budget of \$215,539 is \$155,459, or 258.8 percent greater than the FY2010-11 approved budget. This is due entirely to a transfer of funds from Juvenile Probation to Juvenile Court Services to cover the cost of mediation services, for which Juvenile Court Services now has responsibility. The increase is reflected in the operating budget in Other Contractual Services in the amount of \$156,961. There is a corresponding reduction in the Juvenile Probation budget equivalent to \$156,961. Excluding this transfer, the operating budget would have decreased by 2.5 percent. There are no personnel expenditures in this budget since personnel expenses are paid directly by the State.

Annual Fiscal Plan

Description	FY10 Actual	FY11 Original	FY12 Approved	Change 11 to 12
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	69,261	53,579	209,038	290.1%
Capital	7,316	6,501	6,501	0.0%
Total	<u>\$ 76,577</u>	<u>\$ 60,080</u>	<u>\$ 215,539</u>	<u>258.8%</u>
Personnel Complement*	N/A	N/A	N/A	N/A

*Personnel expenses are paid by the Commonwealth of Virginia

Juvenile & Domestic Relations District Court (cont'd)

Performance Measures				
	FY10	FY11	FY12	Change 11 to 12
Workload Measures				
Cases filed in Juvenile Court	21,527	21,527	21,527	0
Court Hearings	59,366	59,366	59,366	0
Efficiency Measures				
Caseload per Judge	4,305 ⁽²⁾	5,382 ⁽³⁾	5,382 ⁽³⁾	0

*Note: These estimates are prepared by State Supreme Court Personnel.

⁽²⁾ Calculation based on 5 judges serving in the Court.

⁽³⁾ Calculations based on 4 judges serving in the Court due to a vacancy from retirement.

Currently, four full-time judges preside over the Henrico County Juvenile and Domestic Relations District Court. A fifth judge was added by the General Assembly during the 2006 Legislative Session to help address rising Juvenile Court

caseloads. With the retirement of one of the five judges in FY10, and the State not filling all vacant judgeships due to the budget shortfalls, the per judge caseload increased significantly in FY11.

JUVENILE & DOMESTIC RELATIONS DISTRICT COURT

Probation

Description

The 14th District Court Service Unit (Henrico Juvenile Probation) provides an array of educational and casework services to the County of Henrico Juvenile and Domestic Relations District Court. This Court Service Unit also refers young people to a variety of specialized programs funded by the County and State.

Objectives

- To provide necessary intake, investigative and probation/parole services as required by the Court and the Code of Virginia.
- To refer youth and parents to community based services under the Virginia Juvenile Community Crime Control Act, or under State supported programs.

Budget Highlights

The Department's approved budget for FY2011-12 is \$26,537. This is a decrease of 88.1 percent from the budgeted amount in FY2010-11. The reduction

in funding is due to the transfer of mediation and parent education services from this Court Services Unit. The funding for the contract to provide these services can now be found in the budgetary allocation for the Juvenile and Domestic Relations Court Services Unit.

For the past eleven years, the Federal Juvenile Accountability Block Grant (JABG) has been awarded to the County to provide Multisystemic Therapy (MST) to chronic and/or serious offenders living with their families in the community. MST is provided by the staff at Henrico Area Mental Health.

The Probation Court Service Unit experienced decreases in both juvenile intake complaints and domestic complaints for the second consecutive year during FY2009-10. Juvenile intake complaints, which are defined as the number of relevant police reports as well as private citizens' complaints, declined by 21.3 percent in FY2009-10, while the total number of domestic complaints dropped by 2.1 percent during that time period.

Annual Fiscal Plan

Description	FY10 Actual	FY11 Original	FY12 Approved	Change 11 to 12
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	221,227	222,098	26,537	(2.8%)
Capital	0	0	0	0.0%
Total	\$ 221,227	\$ 222,098	\$ 26,537	(88.1%)

Personnel Complement *

N/A

N/A

N/A

*Personnel expenses are paid by the Commonwealth of Virginia

Probation (cont'd)

Performance Measures				
	FY10	FY11	FY12	Change 11 to 12
Performance Measures				
Total Juvenile Complaints	3,507	3,600	3,600	0
Total Domestic Complaints	5,222	5,300	5,300	0
Offenders Provided Probation	996	900	850	(50)
Offenders Provided Parole	123	120	120	0

COMMONWEALTH'S ATTORNEY

Description

The Commonwealth's Attorney is a Constitutional Officer elected for a term of four years. The Commonwealth's Attorney is responsible for prosecuting criminal offenses that occur in Henrico County. Trials and hearings occur in the Circuit Courts, General District Courts and the Juvenile and Domestic Relations Courts. Additionally, the Commonwealth's Attorney's Office provides legal advice and training to the Division of Police as well as other law enforcement agencies, including the Virginia State Police and the Richmond Airport Police.

- To prosecute criminal cases.
- To work with other criminal justice agencies to strengthen juvenile prosecutions and crime prevention.
- To make the public aware of Virginia Exile laws and enforce them appropriately.
- To train local law enforcement agencies in criminal law and criminal procedures.

Objectives

- To enforce criminal laws in Henrico County.
- To operate the Victim-Witness program.
- To cooperate on behalf of Henrico County in the operation of two investigative multi-jurisdictional grand juries.
- To promote a better understanding of the criminal justice system among citizens.
- To proactively investigate and prosecute drug dealers.

Budget Highlights

In FY2011-12, the Commonwealth's Attorney's Office will continue to prosecute traffic and criminal cases in all of the Henrico County Courts. Aggressive prosecution of those who commit violent crimes will remain the number one priority. The Office will continue to work closely with the Division of Police to reduce crime, proactively as well as reactively, by ensuring that those who commit crimes are held accountable. The Commonwealth's Attorney's Office will continue to pursue narcotics traffickers through the utilization of two multi-jurisdictional grand juries. In addition, the Commonwealth's Attorney's Office will continue to provide legal training to the Division

Annual Fiscal Plan

Description	FY10 Actual	FY11 Original	FY12 Approved	Change 11 to 12
Personnel	\$ 4,389,127	\$ 4,445,820	\$ 4,536,596	2.0%
Operation	118,407	103,052	99,496	(3.5%)
Capital	6,672	6,298	7,121	13.1%
Total	<u>\$ 4,514,206</u>	<u>\$ 4,555,170</u>	<u>\$ 4,643,213</u>	<u>1.9%</u>

Personnel Complement	54	54	56 *	2
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*This count includes 51 positions for the Commonwealth's Attorney, 2 positions in Special Drug Prosecutor, and 3 positions in the Victim/Witness Assistance Program (1 complement I, and 2 complement II positions). The 2 additional positions added for FY12 were vacant positions within the Department of Finance that were reallocated to the Victim/Witness Program, and replaced 2 complement III positions that were eliminated.

Performance Measures				
	FY10	FY11	FY12	Change 11 to 12
Workload Measures				
Circuit Court Defendants	1,391	1,400	1,450	50
Show Cause Hearings	1,061	1,070	1,080	10
Misdemeanor Appeals	2,100	2,150	2,200	50
General District Court Criminal Cases	25,038	25,100	25,200	100
General District Court Traffic Cases	107,397	107,600	107,800	200
Juvenile Court Misdemeanors	2,268	2,275	2,285	10
Juvenile Court Felonies	711	725	740	15
Efficiency Measure				
General District Court Traffic Cases per Attorney	26,849	26,900	26,950	50
Effectiveness Measure				
Circuit Court Indictments	2,681	2,700	2,775	75

of Police in its basic academies as well as in continuing service training. Special efforts will also continue to be made to reduce domestic violence. Also, Enforcement of Virginia Exile laws will continue as a method of reducing violent crime.

The Commonwealth's Attorney's Office approved budget for FY2011-12 totals \$4,643,213. This reflects an increase of 1.9 percent when compared to the FY2010-11 approved budget. Personnel expenses reflect an increase of 2.0 percent due to an increase in salaries and corresponding benefits in FY2011-12. The increase in personnel was partially offset by the budgeting of a 2.75 percent vacancy savings. The

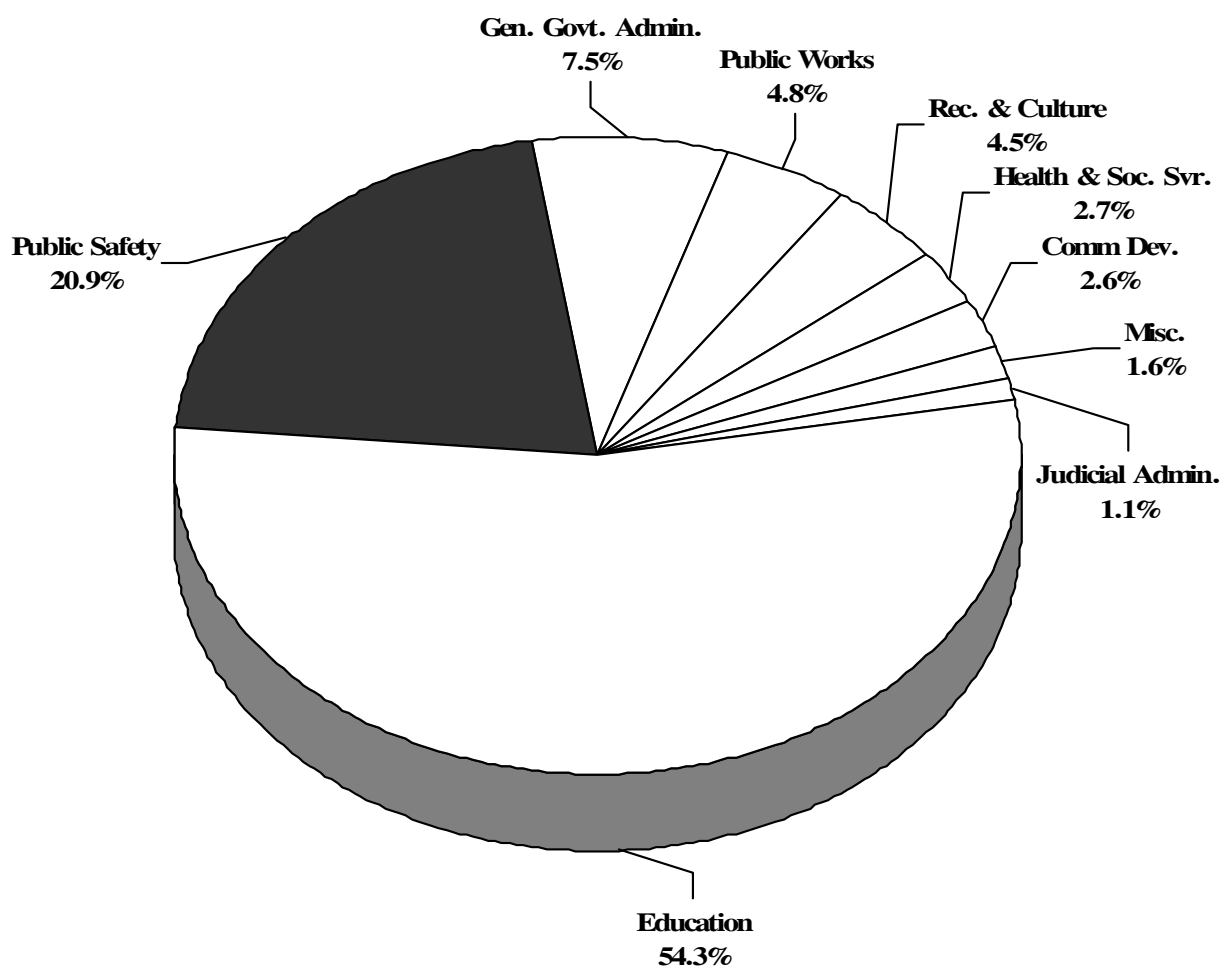
combined operating and capital components of the budget are decreasing \$2,733, or 2.5 percent due to applying a 2.5 percent global operating reduction.

In FY2006-07, the Exile Grant, a grant from the State that began in FY2002-03 and provided for a specialized prosecutor and a secretary to enforce violations of Virginia Exile laws, was discontinued. In the FY2006-07 approved budget, anticipating that the grant would be discontinued, the funding for these two positions was included in the General Fund component of the Commonwealth's Attorney's budget. Funding for these positions remains in the General Fund component in the FY2011-12 budget.



COUNTY OF HENRICO, VIRGINIA

Public Safety
\$155,821,049



Total General Fund
\$743,661,366

**COUNTY OF HENRICO, VIRGINIA
PUBLIC SAFETY - GENERAL FUND
FY 2011-12**

<u>Department</u>	<u>FY 09-10 Actual</u>	<u>FY 10-11 Original</u>	<u>FY 11-12 Approved</u>
Division of Police:			
Police Operations	\$58,727,401	\$59,048,533	\$59,586,285
Animal Protection	1,338,841	1,453,410	1,442,064
Communications	<u>4,479,600</u>	<u>4,801,718</u>	<u>4,890,430</u>
Total Division of Police	64,545,842	65,303,661	65,918,779
Division of Fire:			
Administration	6,497,387	7,612,700	7,618,076
Emergency Planning & Safety	273,468	288,227	256,316
Operations	42,472,129	41,196,501	41,871,569
Volunteer Rescue Squads	<u>183,097</u>	<u>218,625</u>	<u>218,625</u>
Total Division of Fire	49,426,081	49,316,053	49,964,586
Sheriff:			
Administration	9,758,999	9,979,780	9,840,211
Jail West	8,782,427	14,472,783	14,700,576
Jail East	5,717,361	9,063,238	9,021,089
ARRA - Sheriff	<u>9,555,883</u>	<u>0</u>	<u>0</u>
Total Sheriff	33,814,670	33,515,801	33,561,876
Juvenile Detention	2,037,852	2,109,876	2,102,621
Building Inspections:			
Building Inspections	3,788,356	3,969,874	3,904,057
Community Maintenance	<u>243,306</u>	<u>360,529</u>	<u>369,130</u>
Total Building Inspections	\$4,031,662	\$4,330,403	\$4,273,187
Total Public Safety	<u>\$153,856,107</u>	<u>\$154,575,794</u>	<u>\$155,821,049</u>

PUBLIC SAFETY

Division of Police

Description

The Division responds to citizen complaints, provides patrol coverage, enforces traffic laws, investigates criminal activity, and provides educational programs on such topics as drug awareness and crime prevention. In addition, the Division conducts crime analysis, investigates animal complaints, operates citizen police academies, and provides emergency communications for the County.

With the exception of several specialized components of the organization that report to the Chief of Police or the Deputy Chief of Police, the Division of Police consists of four primary commands. These include Administrative Operations, Special Operations, Patrol Operations, and Investigative Operations. By dividing the agency into functions associated with various organizational entities, the Division is able to formally establish and categorize components according to job function, and to define organizational philosophies.

Objectives

- To achieve total professionalism, through training, commitment and action within the rule of law, in response to the needs of the community.
- To establish as a cornerstone of all Division endeavors, a partnership with the community that is based upon mutual trust and integrity.
- To eliminate the opportunities for crime and to reduce the fear of crime through a close working association with all citizens, businesses, and governmental agencies.
- To achieve the highest level of safety possible on our streets through education, enforcement, and high visibility.
- To extend compassion impartially to all persons, regardless of the nature of the interaction, through fairness and understanding in response to those with whom contact is necessitated.
- To hold all division personnel accountable to the highest standards of conduct in performing our service to the community and embracing the ideals of our Constitution and democratic society.

Annual Fiscal Plan

<u>Description</u>	<u>FY10 Actual</u>	<u>FY11 Original</u>	<u>FY12 Approved</u>	<u>Change 11 to 12</u>
Personnel	\$ 55,778,761	\$ 56,522,136	\$ 57,497,807	1.7%
Operation	5,675,343	5,886,184	5,598,631	(4.9%)
Capital	3,091,738	2,895,341	2,822,341	(2.5%)
Total	<u>\$ 64,545,842</u>	<u>\$ 65,303,661</u>	<u>\$ 65,918,779</u>	<u>0.9%</u>
Personnel Complement*	797	799	798	(1)

*Complement includes fourteen complement II positions funded by State revenue (Wireless E-911 funds) and the removal of one vacant non-sworn position to be placed in the Human Resources' hold complement.

Performance Measures				
	FY10	FY11	FY12	Change 11 to 12
Workload Measures				
Total Calls for Service	193,173	197,239	201,393	4,154
Number of Animal Calls	20,336	20,946	21,574	628
Number of Part I Crimes	8,402	8,570	8,741	171
Number of Criminal Arrests	20,330	20,736	21,150	414
Number of Traffic Arrests	63,009	65,529	68,150	2,621

- To provide our employees with an environment in which to work that is sensitive to their needs, and conducive to the accomplishment of the highest quality of work.

Budget Highlights

The FY2011-12 approved budget for the Division of Police is \$65,918,779, which represents an overall net increase of \$615,118 or 0.9 percent from the FY2010-11 approved budget. The personnel component increased by a net difference of \$975,671 or 1.7 percent from the previous approved fiscal year. This increase was driven by merit adjustments as well as an increase in health care expenditures. These increases were offset by the removal of one vacant position from the complement, the reduction in VRS life insurance, and budgeted vacancy savings.

The Division's operating budget totals \$5,598,631 and represents a decrease of 287,553 or 4.9 percent from the previous approved budget. This portion of the budget reflects the County-wide adjustment in technology replacement and automotive/motor pool. The combined impact of these adjustments reduced the operating component by \$145,667. Funding of \$17,881 previously budgeted for dog licenses was transferred to the Department of Finance's budget to streamline this process. A total of \$31,031 associated with the one-time operating costs for the two new School Resource Officers, added in FY2010-11, was removed from this component as well. In addition, funding of \$104,111 was removed from various accounts in order to meet the operating budget adjustment. Although this component experienced an overall decrease, it is important to note that an increase of \$11,137 is included to reflect rental adjustments for the Innsbrook and Fair Oaks facilities.

While the operating component was a driver of the decrease, capital outlay experienced a reduction as well. The capital component is forecasted at a total cost of \$2,822,341 and reflects a decrease of \$73,000 or 2.5 percent from the previous year. This decrease was driven by the reduction of \$70,300 for the one-time capital costs associated with the two new School Resource Officers. It is important to note that this component of the budget includes funding for the replacement of approximately 108 vehicles annually at a total cost of \$2,574,800.

In 2010, the Division of Police coordinated the County's efforts to become re-certified as a Crime Prevention Community. The County met the necessary criteria to become certified, having received its initial certification in October 2003. A team of individuals from the Division of Police and six other County agencies - the Henrico County Public Schools, Victim/Witness Services, Mental Health and Developmental Services, Social Services, Probation, and Community Revitalization - worked together to obtain this recertification, which was awarded in early 2011.

The Division placed first in the state and third in the nation in 2010 for the traffic safety initiative, the National Law Enforcement Challenge, sponsored by the International Association of Chiefs of Police. Each year, the Division competes with agencies of similar size from across the country to determine which police departments have done the best job of not only conducting enforcement activities, but also activities related to policy and procedures, prevention and education, and training. The program also looks at the Division's efforts and the results of those efforts on fatality and injury crashes within the County. The Division also received the Highest Safety Belt Usage Award and Most Improved Safety Belt Award from the Department

Police (cont'd)

of Motor Vehicles in 2010.

At the conclusion of the 2009-2010 school year, the DARE program was replaced by the P.E.A.K (Parents, Educators, and Kids) program. The new program gives elementary school SROs more flexibility in working with the schools. The P.E.A.K. program was written by Henrico Police School Resource Officers who collaborated with educators in the Henrico County School system to create a syllabus that was focused on the needs of students in Henrico County. The idea was conceived as a result of the Chief of Police challenging the SROs to consider a more relevant and flexible curriculum for HCPS students. Unlike the DARE program curriculum, elements of P.E.A.K. do not have to be taught in a specific sequence, and they can be modified to the unique issues confronting students in a particular school. They can also be tailored to meet specific objectives an individual school may have for its students that will promote stronger relationships between the police and students.

The Division of Police has remained a recognized professional law enforcement agency through its efforts to remain internationally accredited. During fiscal year 2011, the Division was reassessed by the Commission for Accreditation of Law Enforcement Agencies (CALEA). This comprehensive review of policy, practices, training, and community engagement provides the Division with a means of measuring its professionalism against a set of standards that are applied to other agencies throughout the United States and other countries. The Division's success is demonstrated by the fact that it has been an internationally accredited law enforcement agency since 1987. In addition, the Division has three Command Staff Officers who also serve as assessors including one who is a team leader for agencies seeking accreditation. The selection of individuals to serve as assessors is the result of the reputation of the organization and completion of a rigorous training course for the assessors. Each assessor is selected by the accrediting authority and each must be re-certified every three years through attendance at a re-training seminar.

The Division is in the fourth year of a program to provide mobile radios in all police vehicles. These mobile radios enhance officer safety and allow greater

interoperability with Hanover County's emergency communications network. The mobile radios are the latest technology and most recent generation of radios for use in a digital trunked 800 Mhz radio system. In addition, the installation of the mobile radios provides emergency communications abilities in the event the officer's portable radio is disabled or inoperable. This program has been phased in over multiple fiscal years and funding is included in the existing budget to continue this important program. These radios will be compatible with the next generation radio system available to public safety.

In FY2007-08, the Division began converting to digital cameras to collect and store photography evidence. Digital photography is acceptable as evidence in criminal cases as long as chain of custody and documentation showing the images have not been altered can be provided to the courts. Using digital cameras enhances the quality of images and allows instant viewing and verification of images. The conversion to digital cameras began with the purchase of digital cameras for the forensic unit as well as computer hardware to store the digital photographs and software that is used to provide the necessary chain of custody documentation. All sworn officers within the Division of Police are now equipped with a digital camera. During the current fiscal year, the Division also deployed new technology in the interview rooms. This equipment is compatible with the digital systems required by the camera system acquisition. All of the Division's digital photo and video system are now linked in a secure system and are accessible to case officers and the Commonwealth's Attorney's Office on-line.

The Division of Police complement totals 798 in FY2011-12. One of the Division's top priorities is maintaining the appropriate level of patrol officers, investigators, and command staff. Included in the FY2011-12 Police Complement are fourteen communication officer positions, whose salary and benefits are funded in the Special Revenue Fund. The County receives funding to support these positions from the State Wireless Board, which distributes to localities a portion of the E-911 service fee collected by the State. The State service fee is \$0.75 per month charged to each cellular phone.

The Police complement includes a total of twenty-

Police (cont'd)

seven School Resource Officers. Each officer is assigned to a specific County middle or high school. The School Resource Officer Program is a joint effort between the Division of Police and the Henrico County Public Schools. The Henrico County Public Schools provides funding for twenty-one of these Officers while the Division of Police funds the remaining six positions.

Police Staffing

The Office of Management and Budget has prepared a historical depiction of new positions included within the Division of Police budget over the past eighteen years. This is included as a historical reference.

The tables in the column below show personnel additions and subtractions by position type and funding source during the period FY1994-95 to FY2011-12 (an eighteen year period).

Position Type	No.
Police Officer	151
Animal Control Officer	2
Communications Officer	19
Police Support Technician	12
Police Support Tech (trans to Sheriff)	(14)
Technical Support	5
Radio Repair Shop (transfer to GS)	(5)
Other	9
Other – eliminated	(2)
Total	177

Funding Source	No.
Grants (*)	90
State Wireless E-911	14
General Fund	73
Total:	177

It must be noted that of the 90 positions added with grant funding, 83 were police officers and seven were civilians.

**Note: Grant funding has been used as an initial funding source for these new Police positions. At this time, all grant funding has been replaced by General Fund dollars.*

PUBLIC SAFETY

Division of Fire

Description

The Division of Fire exists to promote and sustain a superior quality of life in Henrico County through the provision of emergency-related services. The Division pledges to deliver professional, cost-effective services in a personal, responsive, and innovative manner that will always serve the public's interest. The Division further pledges to develop and maintain a highly effective and competent workforce through education, mentorship, and leadership.

The Division continues to operate in two major sections, Administration and Operations. The Administration section is comprised of the Executive Staff, Accreditation, Business Management, Technology Support, Personnel and Recruitment, Resource Management, the Fire Marshal's Office, and Emergency Planning and Safety. The Operations section comprises all fire, rescue, and emergency medical services personnel in the County's twenty fire stations. Additionally, the Division's Training section falls under the Operations section.

The mission of the Division of Fire has evolved to include an all hazards department with a focus on the protection of life, property, and with a proactive approach to community preparedness. In addition to being the providers of fire protection in the County,

the Division has become the primary provider of Emergency Medical Services. Additionally, the Division of Fire has the regional hazardous materials team and the Division provides technical rescue, ground search, and water rescue.

Objectives

- To minimize the occurrence of fires and other hazards through a strong fire prevention program, through the encouragement of smoke detectors in all occupancies and continued support of the use of fire sprinkler systems.
- To minimize all forms of loss due to fire caused by natural and/or man-made disasters by aggressive property conservation measures and practices.
- To ensure strong, effective, and insightful leadership through all areas of the organization. Strong command leadership shall be demonstrated during all emergencies to ensure effective operations and the best possible outcome for citizens.

Annual Fiscal Plan

Description	FY10 Actual	FY11 Original	FY12 Approved	Change 11 to 12
Personnel	\$ 41,652,122	\$ 42,623,184	\$ 43,442,604	1.9%
Operation	4,757,916	4,576,569	4,433,782	(3.1%)
Capital	3,016,043	2,116,300	2,088,200	(1.3%)
Total	<u>\$ 49,426,081</u>	<u>\$ 49,316,053</u>	<u>\$ 49,964,586</u>	<u>1.3%</u>
Personnel Complement	539	539	539	0

Performance Measures				
	FY10	FY11	FY12	Change 11 to 12
Workload Measures				
Total Calls for Service	37,575	38,252	38,929	677
Total EMS and Rescue Calls for Service	28,028	29,011	29,994	983
Fire Incidents	915	880	845	(35)
Fires per 1,000 Population	3	3	3	0

- To ensure customers receive the highest level of service and protection by supplying the Division's employees with quality training, equipment, and educational opportunities.
- To work cooperatively with other agencies and organizations (public/private) to ensure the effective operation of the Division of Fire.
- To continually enhance the level of emergency medical service delivery by maintaining a constant awareness of changes in the field and through the utilization of a strong quality improvement process.
- To support the Division's partners in the Volunteer Rescue Squads in recruitment as well as training.
- To implement technology in all aspects of the operation in an effort to aid in administrative decision making, emergency resource deployment, and training.

Budget Highlights

The Division of Fire's approved budget for FY2011-12 is \$49,964,586, representing a net increase of \$648,533 or 1.3 percent from the previous approved budget. The personnel component increased by \$819,420 or 1.9 percent from the previous approved fiscal year. This increase was driven by merit adjustments as well as the rising health care expenditures. This increase was offset by the reduction of VRS life insurance and budgeted vacancy savings.

The operating component is forecasted to decrease by a net difference of \$142,787 or 3.1 percent from the previous approved budget. This portion of the budget reflects the County-wide adjustment in technology replacement and automotive/motor pool. The

combined impact of these adjustments reduced the operating component by \$68,903. In addition, funding of \$83,884 was removed from various accounts in order to meet the operating budget adjustment. Although this component experienced an overall decrease, it is important to note that funding of \$10,000 is included for additional operating costs associated with the relocation of Fire Station #3.

The capital component is forecasted to decrease by \$28,100 or 1.3 percent from the previous approved budget. This funding was reallocated to the operating component to offset the additional reductions that were needed in order to meet the operating target reduction. It is important to note that there are several significant items that are currently forecasted within the existing capital budget of \$2,088,200. The apparatus replacement plan is currently forecasted at a cost of \$1,500,000 and includes the acquisition of two engines and one ambulance. The apparatus replacement program was initiated in FY1997-98 at a cost of \$1,275,000 as a means of ensuring the Division maintains a planned and consistent replacement schedule for costly fire apparatus.

The capital component also includes the Emergency Medical Services (EMS) Equipment Enhancement Program that was created in FY2004-05 at an annual cost of \$96,000, which allows for the annual replacement of EMS equipment to maintain Division and OSHA minimum equipment standards. Due to the completion of the upgrade of the Self-Contained Breathing Apparatus (SCBA) in FY2010-11, funding of \$330,000 was reallocated to the defibrillator replacement program in order to purchase approximately fourteen defibrillators in FY2011-12.

Outside of these replacement plans, funding of \$95,700 is provided for various types of firefighter equipment. Also, funding of \$66,500 is included as a part of the ongoing plan to refurbish the fire stations as well as the maintenance and refurbishment of the Division's Administrative offices.

Fire (cont'd)

In FY2011-12, the Division of Fire will focus on expanding the quality of existing programs as well as continuing to provide a consistently high level of service to the citizens of the County. Examples of these programs include enhancing firefighter safety, streamlining training delivery, and a continued priority towards community services.

The Division of Fire implemented a Planning Section within its Administrative Branch. The mission and direction of the Planning Section is two-fold with the first being the assessment of short-term and long-term organizational efficiency and the recommendation of measures for improved effectiveness. The second focus of the Planning Section is the forecast, assessment, and implementation of technological innovations to further improve organizational efficiency and enhance service delivery to the citizens of Henrico County.

Emergency Management and Planning was involved in many activities throughout calendar year 2010. This office coordinated with the Division of Fire's Special Operations Team and the Virginia National Guard Chemical, Biological, Nuclear, Radiological and high-yield Explosive Enhanced Response Force Package (CERFP) to provide training for more than 300 National Guard personnel and the three regional specialty teams at the Woodman Road Training Facility. They performed Emergency Operations Center (EOC) operations for three unscheduled events including maintaining virtual operations for the three major snow events that impacted the County from December 2009 through January 2010, and the tornado event in October 2010. This team coordinated training to continue the County's National Incident Management System (NIMS) compliance for 176 County employees using the Division of Police and the Division of Fire cadre of five instructors. Emergency Management and Planning also coordinated training and attendance at the FEMA Emergency Management Institute's Integrated Emergency Management Course for 75 key agency leaders and personnel in August 2010.

Enhancing community preparedness continues to be a priority for Emergency Management and Planning. This includes development of emergency action plan templates for businesses and licensed care facilities in the County and the development of "shopping lists" to help citizens assemble their own disaster preparedness kits at home and at work. The division continually

shares information with public partners through numerous outreach campaigns such as "Be Ready Henrico!", hurricane preparedness week, winter preparedness month, and "Resolve to be Prepared in 2011".

Adding to the more than 450 citizens and business members who have completed Community Emergency Response Team (CERT) training since 2002 are twenty-four County employees who completed one of the four CERT classes that were offered in 2010. The division continues to enhance the Citizen Corps Program efforts by expanding the existing Fire Corps program to include the Fire Explorer post and the establishment of an amateur radio cadre, providing ongoing training to Citizen Corps volunteers across the County to augment shelter staff during disasters, and actively participating with the Central Virginia Volunteer Organizations Active in Disaster (CVVOAD).

The Division will continue the commitment to maintain its international accreditation status, first received in FY1998-99, reaccredited in FY2002-03, and reaccredited for the third time in FY2007-08. The Division of Fire was the first internationally accredited fire service organization in the State of Virginia and the ninth in the world. It is important to note that as of 2010, there are only 133 fire service organizations in North America that are currently accredited internationally.

Firefighter safety and health continues to be a top priority of the Division. Proper equipment and apparatus is vital to the safety of the firefighter and the FY2011-12 budget continues to allocate resources to ensure a systematic replacement approach. Funding of \$225,000 is included within the existing approved budget for replacement turnout gear for firefighters as part of the on-going replacement plan as well as additional equipment (i.e. SCBA cylinders, air pack replacement, personal masks, etc.) to provide the Division's personnel with the best available personal protective equipment.

Streamlining and enhancing training has been a continued goal of the Division. In FY1999-00, the Division was able to accomplish Self Certification in cooperation with the Commonwealth of Virginia Department of Fire Programs. The Division recertified in the fall of 2007 under that agreement and with pro-board certification. The ability to plan,

Fire (cont'd)

develop, and deliver training programs under the guidance of self certification gives the Division greater flexibility and creativity in the training section. Since FY2004-05, the Division of Fire's Training section has conducted over ten Recruit Academies, putting over 160 new employees through an eighteen to twenty week Basic Firefighter Recruit Academy.

The Division continues to provide specialized services to the citizens of Henrico. These services include, but are not limited to the following: the Hazardous Incident Team; Search and Rescue Team; Technical Rescue Team; the Emergency Medical Services Program; Emergency Preparedness Enhancement Program; the Fire Recovery Program; Fire Corps; Citizen's Fire Academy; CERT (Community Emergency Response Team); Fire Prevention Associate Program; and the Fourth Grade Fire Education Program. All of these programs allow the Division to meet its mission, goals, and objectives.

The Division is also continuing the allocation of \$200 for each fire station to provide innovative community outreach programs through its Building Bridges with the Community Program. Examples of the program include open houses, community and public education programs, school picnics, and safety demonstrations. The firefighters assist in the visible house numbering system and are actively involved in community fairs.

The Division continues the joint Emergency Medical Services (EMS) response effort with the volunteer rescue squads. In FY2011-12, \$218,625 of General Fund support will provide medical supplies, gasoline, and insurance premium payments for the three

volunteer rescue squads located in the County.

The Division continues the specialty repair shops by assigning firefighters to these shops in addition to their normal duties. The shops repair and maintain equipment at a lower cost and with less down time than if the County had to purchase these services from an outside vendor. There are twenty-eight of these specialty shops and examples include the Hose and Nozzle shop, Ladder shop, SCBA shop, Oxygen shop, Hurst Tool shop, Small Engine shop, and the CPAP (Constant Positive Airway Pressure) shop.

In FY2011-12, the Division will continue its efforts with the Henrico Marine Patrol, which is a joint effort between the Divisions of Police and Fire. The primary goal is to provide emergency services and law enforcement to the marine community, which falls within the jurisdiction of the County. The Marine Patrol utilizes a C-Hawk vessel for year round response and several inflatable boats for shallow and white water response. There are no full time dedicated Marine Patrol personnel and response is accomplished by utilizing on-duty fire and police personnel or by implementing a call back of the Search/Rescue Dive team.

The Division expects to continue to face a number of challenges over the coming years. Some of these challenges include a growing population; additional EMS calls for service as the population continues to age; turnover of personnel due to many reaching retirement age; and the building of Urban Mixed Use developments. The Division continues to plan for these challenges and will meet the increasing service demands presented by these challenges.

SHERIFF

Description

The Sheriff is an elected Constitutional Officer responsible for the custody, care, transport, and security of prisoners housed in two geographically separate facilities; security of the Courtrooms and the Judges; and service of civil papers. To accomplish these duties and to maximize the use of personnel and funding, the Sheriff's Office is divided into three areas of responsibility: Jail West, Jail East, and Administrative.

Objectives

- To achieve the highest level of quality of life, safety, and health of inmates, as well as staff, through medical services, mental health programs, vocational and educational programs, vocational sanitation, staff training, and reduction of incidents of aggression within jail facilities.
- To maximize the level and quality of security for the court facilities and provide for the safety of the visiting public and court personnel working in these facilities.
- To maximize the timely and accurate service of civil papers.
- To maximize organizational effectiveness and integrity through the recruitment and employment of highly qualified personnel; to ensure that all available internal and external training resources are utilized; and to develop comprehensive professional and leadership training programs for all staff levels.
- To maintain American Correctional Association and Department of Corrections accreditation of the jail facilities, court security, civil process, transportation, and training sections which will enhance the level and quality of services that are available to the inmates and the public.
- To achieve Virginia Law Enforcement Professional Standard Commission accreditation of court security, civil process, transportation, and training sections.
- To maintain a collaborative relationship with other criminal justice agencies and other units of federal, state, and local government; and to ensure efficient and effective operation of the Sheriff's Office.

Annual Fiscal Plan

Description	FY10 Actual	FY11 Original	FY12 Approved	Change 11 to 12
Personnel	\$ 22,106,016	\$ 21,916,571	\$ 22,257,424	1.6%
Operation	11,680,259	11,584,625	11,263,157	(2.8%)
Capital	28,395	14,605	41,295	182.7%
Total	<u>\$ 33,814,670 *</u>	<u>\$ 33,515,801</u>	<u>\$ 33,561,876</u>	<u>0.1%</u>
Personnel Complement**	371	371	371	0

*FY2009-10 actuals include American Recovery and Reinvestment Act (ARRA) funding of \$9,555,883.

**Personnel Complement totals above do not include one Complement IV position.

Performance Measures				
	FY10	FY11	FY12	Change 11 to 12
Workload Measures				
Number of Civil Papers Served	120,746	115,704	118,531	2,827
Average Daily Inmate Population	1,140	1,175	1,225	50
Number of Commitals to Jail	16,888	13,900	17,310	3,410
Work Release Participants (Monthly Avg)	219	210	220	10
Home Incarceration (Monthly Avg)	31	27	50	23
Average Number of State Inmates	250	250	250	0

- To maintain the level of educational and vocational training programs in concert with mental health programs and services to the inmate population which improves their reintegration into society with an increased sense of self-worth, and the marketable skills to lead productive and law abiding lives.

Budget Highlights

The Sheriff's Office approved budget for FY2011-12 totals \$33,561,876 which represents a net increase of \$46,075 or 0.1 percent when compared to the FY2010-11 approved budget. Personnel expenditures, which make up 66.3 percent of the total budget, are forecasted to increase by a net difference of 1.6 percent or \$340,853 due to merit adjustments as well as the rising health care expenditures. This increase was offset by the reduction of VRS life insurance and budgeted vacancy savings.

While the personnel component experienced an overall increase, the operating component is forecasted to decrease by a net difference of \$321,468 or 2.8 percent from the previous approved budget. This funding was removed in order to meet the operating budget adjustment. It is important to note that although this component experienced an overall reduction, various accounts were increased to more accurately reflect current actuals.

The capital component is forecasted at a total cost of \$41,295 and reflects an increase of \$26,690 or 182.7 percent from the previous year. This funding was reallocated from the operating component in order to purchase replacement items including radios, microphones, computers, fire extinguishers, and vacuums.

One of the main focuses of the Henrico County Sheriff's Office is the security of jail facilities and the level of services and programs offered to the inmate population. In addition to the GED certification classes, the Sheriff's Office continues to offer vocational classes in Automotive Technology, Computer Programming and Cosmetology. The Henrico County Public School system offers the classes with funding provided by the Sheriff's Office.

The Sheriff's Office operates two separate jail facilities. Henrico County Regional Jail West, located in the western portion of the County, opened in 1980 and expanded in 1996. This maximum-security facility has a capacity of 521 inmates, housing both male and female inmates. The Sheriff and his administrative staff are also at this location.

Henrico County Regional Jail East, in New Kent County, was built in 1996 as a regional cooperation effort between Goochland, Henrico, and New Kent counties. The jail is operated by the Henrico County Sheriff's Office and has a capacity of 526 inmates. It houses male and female inmates, in a barrier free environment between deputies and inmates. New Kent and Goochland counties reimburse Henrico County for the number of prisoner days used each month. The jails also house State prisoners, typically serving sentences of less than one year. The State reimburses Henrico County for inmates held on their behalf, although the reimbursement does not actually capture the cost of incarceration.

Jail Security staff maintain the safety and order in the facilities and move inmates throughout the facilities. Jail Services staff provide programs and services to the inmate population, including

Sheriff (cont'd)

recreation, visitation, educational opportunities and mental health/substance abuse services.

The Sheriff's Office also provides Court Services, including court security, civil process and transportation of inmates. Court security maintains courthouse safety through screening of individuals entering the courthouse and provides security for five Circuit Court courtrooms, four General District Court courtrooms, and five Juvenile and Domestic Relations Court courtrooms, all located in the western portion of the County. Civil Process deputies serve thousands of civil papers a month to individuals inside and outside the County. An automated tracking system is used to manage the papers. Transportation is responsible for taking inmates to and from court appearances, medical appointments and for movement between detention facilities.

The number of prisoners confined in the Henrico Regional System is projected to increase slightly and is the driving force behind the operational projections for the fiscal year. The Average Daily Inmate Population has increased by 363 or 42.1 percent since FY1999-00. The FY2011-12 budget was prepared on the assumption of an average daily inmate population of 1,225. This estimate is based on 700 prisoners at Jail West and 525 housed at Jail East. Areas that are directly affected include medical services, food services, mental health services, and other operational costs spread among different associated categories.

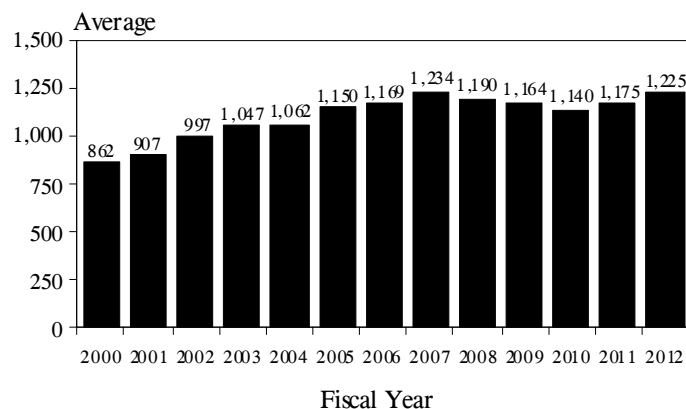
The Sheriff's FY2011-12 budget will be offset by an estimated \$12,494,400 or 37.2 percent of approved expenditures, with State revenues. The State Compensation Board reimbursement is for salaries and benefits as well as a per diem rate for State responsible inmates only. The reimbursement for office supplies was eliminated by the State in FY2009-10 due to budget reductions. The revenue is listed below:

FY2009-10 Actuals	FY2010-11 Adopted	FY2011-12 Approved
\$13,064,081	\$13,194,400	\$12,494,400
Incr/(Decr)	\$ 130,319	(\$ 700,000)

It is important to note that the FY2009-10 actuals totaling \$13,064,081 includes \$3,508,198 in State revenue and \$9,555,883 in ARRA Federal stimulus funding, which was allocated to the State.

It should also be noted that the overall percentage of jail operating costs paid by the State was 38.6 percent in FY2009-10, with 28.3 paid by ARRA stimulus funding, and 54.7 percent paid by the localities (the balance is paid with other departmental revenues). In the FY2011-12 budget, it is estimated that the Henrico County Sheriff's Office will receive 37.2 percent of funding from the State while the County will contribute 56.8 percent of funding (the remaining 6.0 percent will be funded with departmental revenues).

Daily Inmate Population



2011 and 2012 are estimated.

JUVENILE & DOMESTIC RELATIONS DISTRICT COURT

Detention Home

Description

The Detention Home incarcerates juveniles who are awaiting court action for committing criminal offenses. Some juveniles may also be sentenced for up to thirty days after having been found guilty of an offense. This group includes criminal offenders, children in need of supervision, and certain traffic offenders. While housed at the Detention Home, juveniles are offered programs in education, recreation, and optional religious services as well as receive mental health screenings, evaluations, medical services, and follow-up evaluations as necessary.

- To provide, in conjunction with the Henrico County School System, an education program that conforms to the Educational Standards for Residential Care Facilities of the Virginia Department of Education.
- To work within interagency agreements and contracts with Henrico County Police, Fire, Sheriff, MH/DS/SA, and the Henrico County Court System.

Objectives

- To provide safe care for the juveniles placed under the supervision of the home.
- To retain certification from Virginia's Interdepartmental Licensing and Regulation Unit for Children.
- To administer an identifiable and assessable program of detention.
- To provide ongoing staff training and organizational development programs.

Budget Highlights

The Juvenile Detention Home provides protection, safe care, and basic needs and services to juveniles placed in the home by the courts through statutory regulation. All aspects of service levels in the Detention Home are mandated by the State and will remain unchanged in the upcoming fiscal year. Operational procedures, programs, professional services, and support services are all to stay in compliance with State mandated regulations for licensure. In addition, staff will be provided with ongoing training and development.

The personnel complement includes one part-time psychologist from Henrico's Department of Mental

Annual Fiscal Plan

Description	FY10 Actual	FY11 Original	FY12 Approved	Change 11 to 12
Personnel	\$ 1,885,798	\$ 1,957,178	\$ 1,954,781	(0.1%)
Operation	147,428	152,698	147,840	(3.2%)
Capital	4,626	0	0	0.0%
Total	<u>\$ 2,037,852</u>	<u>\$ 2,109,876</u>	<u>\$ 2,102,621</u>	<u>(0.3%)</u>
Personnel Complement	30	30	30	0

Juvenile Detention (cont'd)

Performance Measures				
	FY10	FY11	FY12	Change 11 to 12
Workload Measures				
Admissions	1,165	1,470	1,470	0
Secure Detention Days	6,995	5,631	5,631	0
Average Daily Population	19	15	15	0
Average Length of Stay, Days	6	4	4	0

Health who provides mental health assessments and court ordered evaluations for the Detention Home. In addition to the 30 positions in the agency's personnel complement, three full-time teachers and one part-time reading specialist from Henrico County Schools are currently assigned to the agency for an eleven-month educational program along with two teachers that are shared with James River Juvenile Detention Center. These positions are funded by the Virginia Department of Education and their associated costs are included in the Education budget.

The Juvenile Detention Home's budget for FY2011-12 is \$2,102,621, which reflects a decrease of 0.3 percent when compared to FY2010-11. Personnel

costs reflect a decrease of 0.1 percent and operating reflects a decrease of \$4,858, or 3.2 percent. There is no capital outlay budgeted since the Juvenile Detention Home will use the USDA grant to purchase capital items needed for the kitchen area. This will be discussed in greater detail in the Special Revenue Fund portion of the budget.

State aid for the Juvenile Detention Home in the FY2011-12 budget is estimated to total \$480,500, which includes \$475,000 for the Juvenile Detention Home's block grant and \$5,500 in estimated per diem payments for State-responsible juveniles. While this reflects no change from the FY2010-11 budget, the block grant still reflects the reduction taken in FY2009-10 due to budget cuts by the State.

BUILDING INSPECTIONS

Description

The Code of Virginia requires all local governments to enforce the Virginia Uniform Statewide Building Code (USBC). The Department of Building Construction and Inspections fulfills this role for Henrico County by reviewing and inspecting the structural, mechanical, electrical, and plumbing systems of buildings and structures in Henrico County to ensure the safety, health, and welfare of the County's citizens. The reviews and inspections are based on criteria that are consistent with nationally recognized codes and standards at reasonable cost levels.

The Department also enforces the maintenance and unsafe provisions of the USBC and the Drug Blight and Bawdy Places ordinances to further the objectives of the County's Community Maintenance Program. In addition, the Department administers the graffiti ordinance to remove graffiti in the County.

These traditional code enforcement activities are supplemented with public awareness programs that include a quarterly newsletter to educate residents, contractors, architects, and engineers about specific code and enforcement issues. Educational programs are produced in cooperation with Chesterfield and Hanover Counties to educate the public and the construction community about various construction issues.

Objectives

- To ensure the public health, safety, and welfare affected by the design and construction of buildings and structures in Henrico County.
- To ensure the quality of inspections by field staff through education and certification to State standards.
- To provide services that equal our customers' expectations for professionalism and accountability.
- To establish policies and procedures that are consistent, practical, workable, and enforceable.

Budget Highlights

The Department of Building Construction and Inspections budget is divided into two sections: Building Inspections and Community Maintenance. The total FY2011-12 budget for the Department is \$4,273,187, a decrease of 1.3 percent when compared to the FY2010-11 approved budget. There is a 0.5 percent decrease reflected in the personnel component, while the operating component decreased 6.6 percent. Capital outlay totals \$300 and reflects a decrease of \$1,390.

Annual Fiscal Plan

Description	FY10 Actual	FY11 Original	FY12 Approved	Change 11 to 12
Personnel	\$ 3,731,008	\$ 3,908,262	\$ 3,887,189	(0.5%)
Operation	455,538	574,014	535,960	(6.6%)
Capital	859	1,690	300	(82.2%)
Sub-Total	<u>\$ 4,187,405</u>	<u>\$ 4,483,966</u>	<u>\$ 4,423,449</u>	<u>(1.3%)</u>
Interdepartmental Billings	(155,743)	(154,014)	(150,262)	(2.4%)
Total Budget	<u>4,031,662</u>	<u>4,329,952</u>	<u>4,273,187</u>	<u>(1.3%)</u>
Personnel Complement*	58	58	56	(2)

*Two vacant positions will be moved to the County's hold complement in FY2011-12.

Building Inspections (cont'd)

Performance Measures				
	FY10	FY11	FY12	Change 11 to 12
Workload Measures				
Total Permits Issued	11,975	12,000	12,000	0
Single Family Permits Issued	630	650	650	0
Building Inspections	19,676	19,282	19,282	0
Electrical Inspections	10,178	13,230	13,230	0
Mechanical Inspections	7,453	7,450	7,450	0
Plumbing Inspections	11,516	12,552	12,552	0
Fire Protection Inspections	1,675	1,600	1,600	0
Elevator Inspections	162	165	165	0
Sign Inspections	835	120	120	0
Existing Structure Inspections	2,193	2,500	2,500	0
FOG Inspections	283	300	300	0
Total Inspections	51,495	54,399	54,399	0
Efficiency Measures				
Residential Inspections/Inspector/Day	8	8	8	0
Mechanical /Plumbing Inspections/Inspector/Day	14	14	14	0
Electrical Inspections/Inspector/Day	13	15	15	0
Fire Protection Inspections/Inspector/Day	3	3	3	0
Commercial Inspections/Inspector/Day	6	7	7	0
Average # of Inspections/Single Family Dwelling	35	35	35	0

Workload projections are based on current conditions and future developments that have already been announced for Henrico County. The Department projects a slight increase in the total number of permits issued for FY2010-11, which are anticipated to remain at those same levels during FY2011-12.

The Building Inspections section is responsible for assuring that structural stability, fire safety, and electrical safety is provided in newly constructed buildings throughout the County through compliance with nationally recognized building codes and standards. This section also inspects structures for compliance with accessibility, sanitation, light and ventilation, and energy and water conservation standards as referenced in the building code.

The Building Inspections section's budget for FY2011-12 totals \$3,904,057. This reflects a decrease of \$65,817 when compared to the FY2010-11 approved budget. The personnel component reflects a decrease of \$21,073, or 0.5 percent due to the moving of two vacant positions to the County's hold complement, the impact of the increase in the

vacancy savings rate, and the reduction in the group life rate. These reductions are partially offset by the salary increase. The operating component reflects a 10.6 percent decrease. Significant areas that saw a reduction include reduced automotive/motor pool rates and reductions for technology replacement costs.

Further reductions in the operating component were possible due to realizing and anticipating greater efficiencies. Capital outlay will remain \$300 in FY2011-12.

The Community Maintenance Division within the Building Inspections Department is responsible for resolving violations of the building code and graffiti ordinance for existing structures. This Division's budget totals \$369,130, which is an increase of 2.4 percent when compared to the prior fiscal year. Included in this budget are the costs for two positions that are part of an initiative to ensure that restaurants have the proper equipment to prevent oil and grease from entering the sewer system. The total ongoing cost for these two positions equals \$150,262. The entirety of this cost will be reimbursed by the Department of Public Utilities.

Building Inspections (cont'd)

As such, an interdepartmental billing account has been budgeted to reflect the reimbursement of these ongoing costs.

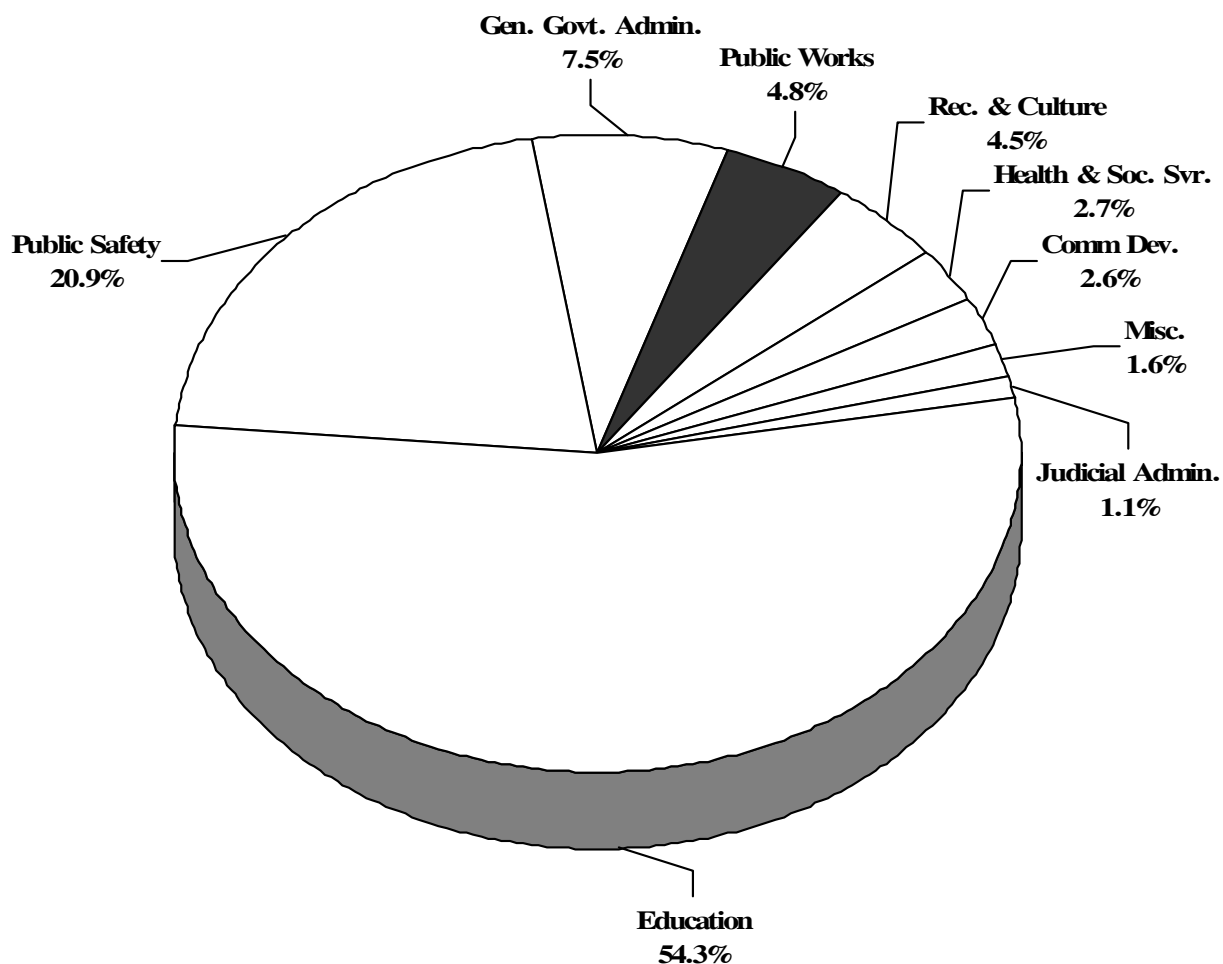
The Community Maintenance Division will continue to work closely with the Department of Community

Revitalization, as they also provide community maintenance services. Community Revitalization's services include those related to identifying the needs of established communities and providing assistance in improving the properties in these areas.

COUNTY OF HENRICO, VIRGINIA

Public Works

\$35,765,565



Total General Fund

\$743,661,366

**COUNTY OF HENRICO, VIRGINIA
PUBLIC WORKS - GENERAL FUND
FY 2011-12**

<u>Division</u>	<u>FY 09-10 Actual</u>	<u>FY 10-11 Original</u>	<u>FY 11-12 Approved</u>
Administration	\$1,245,931	\$1,276,328	\$1,290,218
Road Maintenance	23,782,620	19,186,681	19,120,505
Traffic Engineering	3,007,785	3,188,959	3,211,385
Construction	2,267,504	3,145,152	3,177,516
Design	1,925,740	1,901,278	1,897,068
Mass Transit	4,516,362	5,164,566	5,166,272
Environmental	1,209,904	1,229,937	1,217,169
Geographic Information System	311,559	311,894	307,165
Standing Water Initiative	<u>355,227</u>	<u>450,731</u>	<u>378,267</u>
Total Public Works	<u><u>\$38,622,632</u></u>	<u><u>\$35,855,526</u></u>	<u><u>\$35,765,565</u></u>

PUBLIC WORKS

Description

The Henrico County Department of Public Works maintains the third largest road network in the State of Virginia after the State of Virginia and the City of Virginia Beach. The Department is responsible for the construction and maintenance of all secondary roads in the County, storm water drainage, administration of Public Transit services, and enforcement of erosion and sedimentation laws and ordinances. The Department is organized into the following divisions: Administration; Design; Maintenance; Construction; Transportation Development; Traffic Engineering; Environmental Control; and Geographic Information System (GIS) Management.

The majority of departmental services are funded by an allocation of gasoline tax revenues from the State of Virginia and license fee revenue collected in the County's General Fund. In addition, the General Fund provides funding for certain services in accordance with the Board of Supervisors' directives for various programs. These include the Environmental Control Program, Vacuum Leaf services, the JOBS transit service, the Standing Water Initiative, as well as, supplemental funding for both the Mass Transit and GIS Divisions.

Objectives

- To develop and maintain a safe and efficient road system.
- To develop and maintain an efficient and economical storm drainage system.
- To ensure that the construction of road and drainage facilities is accomplished in accordance with appropriate standards and in an environmentally correct manner.
- To review and provide for the most cost-effective system of Public Transit for the residents of the County.
- To provide prompt responses to citizen inquiries or requests for service.
- To enforce Chesapeake Bay Act regulations along with current erosion and sedimentation control ordinances and policies.
- To manage GIS technology to enhance coordination of Community Development services among County departments.

Annual Fiscal Plan

Description	FY10 Actual	FY11 Original	FY12 Approved	Change 11 to 12
Personnel	\$ 14,143,926	\$ 14,485,565	\$ 14,605,342	0.8%
Operation	22,102,035	19,894,461	19,800,523	(0.5%)
Capital	2,376,671	1,475,500	1,359,700	(7.8%)
Total	<u>\$ 38,622,632</u>	<u>\$ 35,855,526</u>	<u>\$ 35,765,565</u>	<u>(0.3%)</u>
Personnel Complement*	258	258	257	(1)

*One vacant position is being moved to the hold complement in FY2011-12.

Performance Measures				
	FY10	FY11	FY12	Change 11 to 12
Workload Measures				
Lane Miles of Road Maintained	3,385	3,393	3,403	10
Traffic Signals Maintained	140	141	145	4
Development Plans Reviewed	776	760	750	(10)

Budget Highlights

The Department's approved budget for FY2011-12 is \$35,765,565, representing a decrease of \$89,961 from the previous approved budget. Within this overall approved budget, which combines both Gas Tax and General Fund supported programs; the personnel component is budgeted to increase by \$119,777 or 0.8 percent. The operating component is forecasted to decrease by \$93,938 or 0.5 percent while capital outlay expenditures are expected to decrease by \$115,800 or 7.8 percent.

Funding to support the approved budget is to be provided by the State's Gas Tax maintenance allocation of \$28,745,000, the County's General Fund subsidy of \$6,470,401, and miscellaneous departmental revenue totaling \$550,164. The gas tax allocation for maintenance remains constant from the previous approved budget. This forecast reflects the payment rate per lane mile of \$8,466.96 and County lane miles of 3,403. It should be noted that the total projected Gas Tax allocation for FY2011-12 is only for operations and maintenance and does not include a construction allocation. If a construction allocation was funded for the Public Works capital budget that would be found elsewhere in this document.

Gas tax funding is utilized for approximately 80.0 percent of the operating budget. In other words, this funding supports all the Department of Public Works' divisions with the exception of the Standing Water Initiative, Environmental Inspection, and Geographic Information Systems (GIS). Gas tax revenue is restricted to roadway maintenance activities.

The functions supported by the General Fund subsidy total \$6,470,401 and include required adjustments for the rising costs associated with healthcare expenditures and merit adjustments. These adjustments were offset by the reduction of one position from the department's complement that is being transferred to the hold complement and

budgeting vacancy savings. Budget adjustments were made within the operating component as well. The General Fund supports 100 percent of expenses related to the Standing Water initiative, Environmental Inspection, and GIS divisions and these programs combined total \$1,902,601. The Standing Water Initiative is budgeted at \$378,267 for FY2011-12. The Environmental Inspection Division is budgeted at \$1,217,169 and Geographic Information Systems costs are estimated at \$307,165 in the approved budget.

General Fund support is also provided for Mass Transit and Leaf Collection services. Specifically, General Fund support of \$4,186,300 in FY2011-12 will subsidize the GRTC and JOBS services costs in the Mass Transit budget. In FY2011-12, the Leaf Collection services budget totals \$533,700. Within this total budget, the General Fund will support \$381,500, Leaf Collection Fees are projected at \$150,000, and the remaining \$2,200 will be provided by miscellaneous revenues. It is important to note that this budget includes free leaf vacuum service for all County residents that currently participate in the Real Estate Tax Advantage Program (REAP).

The third and final source of funding is generated from miscellaneous fees, which total \$400,164 in the approved budget. These charges/fees are used as enhancements to the Gas Tax revenue for all divisions with the exception of the Standing Water Initiative and Environmental Inspection divisions.

What follows is a discussion of each of the divisions within the approved budget for Public Works.

Roadway Maintenance and Administration

The total approved budget for the divisions that fall within this group is \$33,862,964, which remained constant from the previous fiscal year. With the

Public Works (cont'd)

exception of Mass Transit, these divisions represent the core services provided by Public Works and utilize the entire \$28,745,000 State Gas Tax maintenance allocation. The remainder of funding is provided by other revenue in the General Fund, including a \$4,186,300 subsidy to support Mass Transit Services. The personnel component is forecasted to increase by \$189,501 or 1.5 percent, as a result of rising healthcare expenditures and merit adjustments. The increase was offset by budgeting vacancy savings in the amount of \$316,575.

The operating component decreased by a net difference of \$73,701 or 0.4 percent from the previous approved budget. Adjustments made to the operating component include decreases in Technology Replacement in the amount of \$11,896 and in Central Automotive Maintenance costs in the amount of \$39,480.

The capital outlay component decreased by \$115,800 or 7.9 percent over the previous approved budget. Although this category was reduced, there are several noteworthy capital purchases forecasted within the \$1,359,700 approved capital component. Capital outlay items budgeted include the following: one jack hammer, three snow plows, two tractor mowers, two mow trims, three leaf machines, six salt and sand spreaders, three single axle dump trucks, four tandem dump trucks, four uninterruptable power supplies for traffic signals, one conflict monitor tester and ten Delta NT traffic counters.

Standing Water Initiative Division

The Standing Water Initiative Division is a program that is funded solely through the General Fund at a total cost of \$378,267. The personnel component comprises 77.7 percent or \$293,900 of the total budget in this area.

Environmental Inspection Division

The Environmental Inspection Division is funded solely through the General Fund at a total cost of \$1,217,169. Expenditures are forecasted to decrease by a net difference of \$12,768 or 1.0 percent from the FY2010-11 approved budget. The personnel component decreased by \$2,732 or 0.3 percent from the previous approved fiscal year. The operating component decreased by \$10,036 or 6.1 percent from the previous fiscal year. The capital component remained constant at \$500 from the previous fiscal year.

Geographic Information Systems Division (GIS)

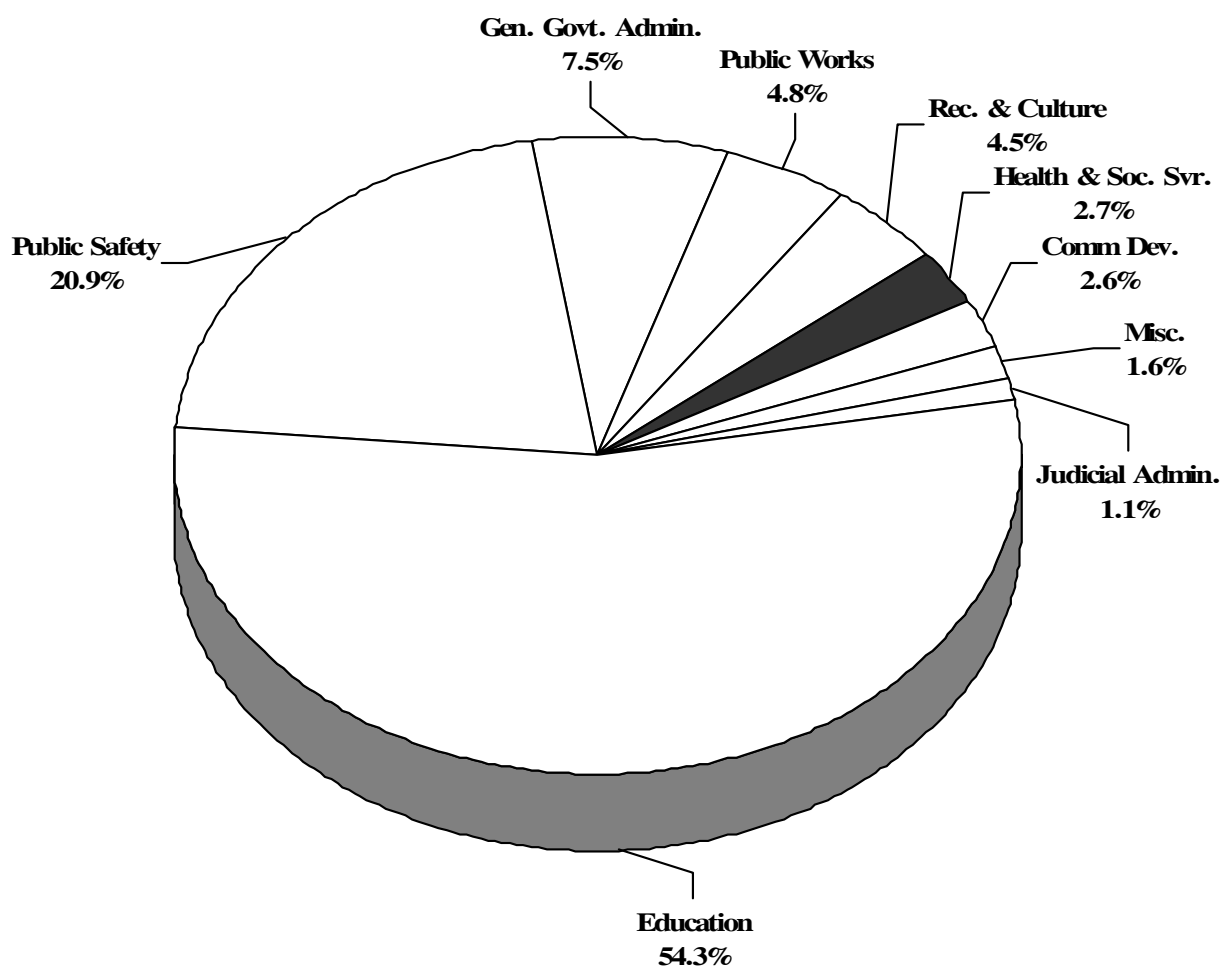
The GIS Division is fully funded by the General Fund. The approved budget for FY2011-12 is \$307,165 representing a net decrease of \$4,729 or 1.5 percent from the previous approved budget. The personnel component of GIS comprises 89.9 percent or \$276,044 of the total GIS budget.



COUNTY OF HENRICO, VIRGINIA

Health and Social Services

\$20,180,869



Total General Fund

\$743,661,366

**COUNTY OF HENRICO, VIRGINIA
HEALTH AND SOCIAL SERVICES - GENERAL FUND
FY 2011-12**

<u>Department</u>	<u>FY 09-10 Actual</u>	<u>FY 10-11 Original</u>	<u>FY 11-12 Approved</u>
Public Health	\$1,583,256	\$1,645,730	\$1,583,056
Social Services:			
Administration	6,217,997	6,242,734	6,349,519
Public Welfare Board	45,764	40,489	40,489
Public Assistance	10,612,643	8,021,339	8,048,305
Employment Services Program	<u>5,640,243</u>	<u>4,159,500</u>	<u>4,159,500</u>
Total Social Services	<u>22,516,647</u>	<u>18,464,062</u>	<u>18,597,813</u>
 Total Health and Social Services	 <u><u>\$24,099,903</u></u>	 <u><u>\$20,109,792</u></u>	 <u><u>\$20,180,869</u></u>

PUBLIC HEALTH

Description

The Health Department provides medical, environmental and other public health services to the residents of Henrico County. The State and County provide cooperative funding consisting of 55 percent in State funds and 45 percent in County funds. The County also provides additional funding to assist with the maternity program. The budget herein reflects the County's 45 percent funding level for the cooperative budget and additional funds to support the maternity program.

Objectives

- To promote a healthier lifestyle through health education and outreach.
- To provide children and adolescent preventive dental care and to promote good dental hygiene.
- To minimize the spread of communicable disease through epidemiological monitoring of infectious diseases.
- Promote childhood immunizations.
- Provide inspection of food establishments, licensed child-care centers, motels, and hotels.
- To provide clinical services for clients in need of prenatal care, well-child care, family planning, or Women Infant and Children (WIC).
- To prevent environmental contamination through enforcement of regulations governing on-site sewage disposal, installation of wells and the monitoring of water supplies.
- To assist the County with special services that includes but is not limited to fire and flood disaster, sanitation, lead hazard evaluation, and rabies control.
- To assure emergency preparedness for large scale health emergencies.

Annual Fiscal Plan

Description	FY10 Actual	FY11 Original	FY12 Approved	Change 11 to 12
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	1,583,256	1,645,730	1,583,056	(3.8%)
Capital	0	0	0	0.0%
Total	<u>\$ 1,583,256</u>	<u>\$ 1,645,730</u>	<u>\$ 1,583,056</u>	<u>(3.8%)</u>

Personnel Complement *	N/A	N/A	N/A	N/A
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* Personnel Complement totals above are not applicable because the County's portion of salaries is paid directly to the State, which pays the salary and benefit costs for 68 classified and 8 non-classified positions.

Public Health (cont'd)

	Performance Measures			
	FY10	FY11	FY12	Change 11 to 12
Workload Measures				
Number of Patient Visits	22,627	22,627	22,893	266
Maternity Visits	2,317	2,317	2,341	24
Nursing Home Screening	365	365	438	73
Food Service Protection Visits	3,601	3,601	4,074	473
Water/Sewer Inspection Applications	179	179	243	64

Budget Highlights

The Department's approved budget for FY2011-12 reflects both the 45 percent County share of the cooperative budget, which amounts to \$1,397,558, and additional County funding for the local maternity program of \$183,698 and telecommunications costs of \$1,800. The sum of these figures leads to a total request for County funding of \$1,583,056. The approved budget for FY2011-12 is \$62,674 or 3.8 percent less than the approved budget for FY2010-11. The difference is directly attributed to the reduction in general fund allocations from the State. There are no County funded positions assigned to Public Health.

SOCIAL SERVICES

Description

The Department of Social Services focuses on providing an array of services to children, families, and individuals who are in need of human-based services including financial assistance. The financial assistance and social services programs provided by the Department assists individuals and families in meeting their basic human needs; increases their capacity to function independently; and provides protection for the elderly, disabled, and abused or neglected children. Funding that support these efforts is provided by Federal, State, and County governments as well as through Community Partnerships.

The Department helps those who cannot provide for themselves financially on a temporary or longer basis in order to obtain the basic necessities of life and adequate health care. The financial assistance programs provide temporary cash assistance and employment-related services to enable families with children to become self-supporting. These programs also include medical and health-related services for certain individuals and families with low incomes.

The Department is also responsible for the protection of the community's children and adults from abuse and neglect. Social work staff engages in various local, state, and/or federal initiatives that will support and preserve families. When these efforts are no

longer viable options and/or the courts remove the child or children from their caretaker, foster care services are provided. When children are unable to return to their own families, adoption services are provided.

The goal of the Department of Social Services is to reduce the number of children in institutional placements. Another goal of the Department is to make home and community based services available to assist the disabled and elderly. Through the use of varied program funds and community resources, the Department works with clients to become or to remain economically self-supporting. These efforts are accomplished via job training, other employment related activities, and other supportive services.

Objectives

- To process applications and reviews for benefit programs within State/Federal standards of promptness.
- To offer and/or provide social work services and interventions as prescribed by State/Federal standards.
- To guarantee all foster parent applicants will receive orientation and training prior to the placement of a child.

Annual Fiscal Plan

Description	FY10 ** Actual	FY11 Original	FY12 Approved	Change 11 to 12
Personnel	\$ 10,657,098	\$ 10,944,361	\$ 11,100,922	1.4%
Operation	11,836,583	7,511,401	7,484,206	(0.4%)
Capital	22,966	8,300	12,685	52.8%
Total	<u>\$ 22,516,647</u>	<u>\$ 18,464,062</u>	<u>\$ 18,597,813</u>	<u>0.7%</u>
Personnel Complement *	168	168	168	0

* This count does not include 8 complement III positions.

**FY2009-10 actuals include American Recovery and Reinvestment Act (ARRA) funding of \$880,187.

Social Services (cont'd)

Performance Measures				
	FY10	FY11	FY12	Change 11 to 12
Workload Measures				
Clients Entering Employment	609	378	378	0
Efficiency Measure				
Food Stamp Application Timely Processing	97%	97%	97%	0%
Abuse Investigations Initiated within 72 hours	92%	92%	92%	0%
Effectiveness Measure				
Fraud Prosecution Rate	100%	100%	100%	0%
Customer Appeals Sustained	99%	99%	99%	0%
Clients Maintaining Employment after 90 days	493	260	284	24

- To make certain required foster care administrative responsibilities and judicial hearings will be held in compliance with State/Federal rules.
- To initiate investigations on all valid adult and child abuse complaints within state mandated time frames.
- To ensure all cases closed in the Adult Protective Services program will result in the client living in a safe situation.
- To provide job registrants with employment or education/training leading to employment.
- To ensure employed clients will maintain employment for 90 days.
- To successfully prosecute all cases where payment fraud is evident.

Budget Highlights

The Department's approved budget for FY2011-12 is \$18,597,813 which represents an increase of \$133,751 or 0.7 percent over the previous approved budget. The Department anticipates collecting \$14,346,400 in revenue from State and Federal governments, which represents 77.1 percent of the total funding amount.

The personnel component increased by \$156,561 or 1.4 percent from the FY2010-11 approved budget. The increase in personnel costs is in direct relation to the increase in healthcare costs and merit

adjustments. Although a portion of these increases was offset by the budgeting of vacancy savings of \$280,072.

The operating and capital components had a net decrease of \$22,810 from the FY2010-11 approved budget for the same budget components. The decrease is due to reductions of \$6,360 in automotive/motor pool, \$1,566 in technology replacement costs, and \$14,884 in other operating areas within the budget.

It is important to note that the FY2009-10 actuals totaling \$22,516,647 includes \$880,187 in ARRA, federal stimulus funding.

The Department of Social Services provides critical services to County residents within legally binding timeframes. The Department operates in three governmental environments - federal, state, and local.

The Department provides services to all socio-economic groups and is usually the last resort for residents of Henrico County. Service programs provided by Social Services include the following: Adult/Child Protective Service, Foster Care, Adoptions, Child Day Care, Adult Services, Employment Service, Custody Investigations, Home Studies, and Intake/General Prevention Services. Benefits administered by the Department include Medicaid; Supplemental Nutrition Assistance Program (SNAP) formerly the Food Stamp program; Temporary Assistance for Needy Families (TANF), General Relief, and Long-Term Care.

Social Services cont'd

The Department has experienced significant increases in the number of cases for their primary benefit programs, which are Medicaid, TANF and SNAP. A comparison of May 2009 versus May 2010 reveals that the combined caseloads increased by 26.7 percent. In FY2010, a review of individual programs reflects a 22.6 percent increase in TANF caseloads; a 41.0 percent increase in SNAP caseloads; and, an 18.0 percent increase in Medicaid caseloads. Total caseloads for these three programs have increased by 192.0 percent when comparing May 2000 to May 2010. The Department anticipates these caseloads will increase another 5.0 to 10.0 percent by May 2011 if economic conditions do not improve significantly.

Welfare reform has been successful in the past in moving people from public assistance to work. In FY2009-10, 609 clients became gainfully employed with 81.0 percent of them maintaining those jobs for 90 days or longer. Based on the increase of TANF caseloads, the forecast for FY2011-12 suggest that there will be significantly more clients the department needs to assist with entering

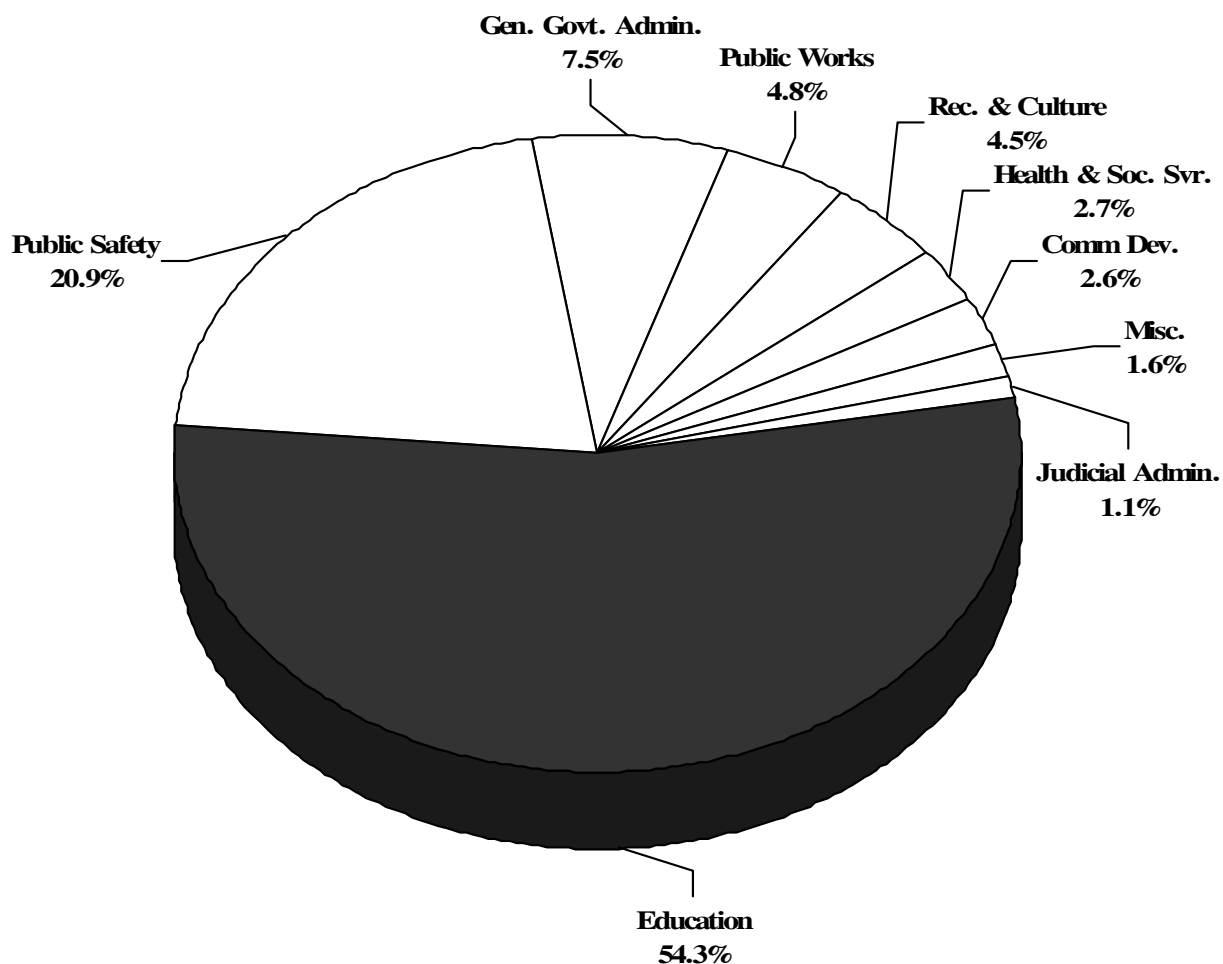
employment. The continued high unemployment rate will make the process of finding employment for these individuals difficult.

With the onset of state-wide initiatives to affect change in the child welfare programs, the Department of Social Services has successfully reduced the number of children entering the foster care system by 18.0 percent. There has also been a 54.0 percent decrease in the number of children living in residential care which has reduced expenditures significantly. In order to maintain these best practice strategies, Social Services has increased the average number of available foster family homes by 13.0 percent and placed more emphasis on preventing children from ever entering the foster care system. In FY10, 222 children were at risk of entering the foster care system but only 11 or 5.0 percent of these youth's legal custody was awarded to the County. These efforts have generated positive outcomes for families as well as reduced Comprehensive Services Act (CSA) costs considerably.



COUNTY OF HENRICO, VIRGINIA

Education
\$403,750,000



Total General Fund
\$743,661,366

**COUNTY OF HENRICO, VIRGINIA
EDUCATION - ALL FUNDS
FY 2011-12**

Fund/Division	FY 09-10 Actual	FY 10-11 Original	FY 11-12 Approved
General Fund:			
Instruction	\$318,356,627	\$317,962,948	\$321,022,965
Administrative Services	10,174,108	10,246,675	9,764,885
Operations	66,287,633	69,613,530	68,220,951
Finance	2,882,003	2,970,692	3,423,774
School Board and Superintendent	1,890,170	1,615,174	1,317,425
Subtotal General Fund	399,590,541	402,409,019	403,750,000
General Fund - ARRA:			
Instruction	8,964,773	0	0
Subtotal ARRA General Fund	8,964,773	0	0
Total General Fund	\$408,555,314	\$402,409,019	\$403,750,000
Special Revenue Fund:			
School Food Service	\$16,666,010	\$18,253,816	\$18,494,517
State, Federal, and Other Grants:			
Capital Construction Management	0	398,066	409,812
Computer Insurance Coverage	(6,078)	0	0
CTE Resource Center	862,679	1,281,280	1,167,442
Distance Learning	113,909	132,540	0
Driver Education	151,903	105,577	105,577
Drug Free S/C Act	118,892	154,691	0
Educational Interpreters Grant	28,492	40,400	40,400
Federal Class Size	1,393,442	1,499,951	1,499,919
Gen. Adult Education	352,368	465,943	464,942
Grant Administration	9,077	142,903	230,299
Head Start	1,215,348	1,354,139	1,388,456
High Schools That Work	(1,604)	10,000	0
Homeless Assistance	0	60,000	60,000
Humanities Center Grants	7,150	25,000	10,000
Individual Student Alternative Ed Plan Grant	60,810	44,973	50,222
JSR Dual Credit Program	99,078	500,000	100,000
Juvenile Detention Home	1,155,333	1,130,486	1,159,851
Mentor Teacher Program	77,806	55,211	55,211
Miscellaneous School Grants - Federal	1,412,319	674,866	551,997
Miscellaneous School Grants - Local	701,082	648,670	766,751
Miscellaneous School Grants - State	813,977	0	0
Pell Grants	37,980	120,000	120,000
Perkins Act III	619,828	664,595	671,954
Pre-School	191,938	257,741	242,546
Project Connect	36,212	0	103,365
Reading First	340,945	0	0

Education - All Funds (cont'd)

Fund/Division	FY 09-10 Actual	FY 10-11 Original	FY 11-12 Approved
State, Federal, and Other Grants: (cont'd)			
Reading Intervention	513,103	522,896	485,816
Refugee School Impact Grant (ESL)	4,948	9,771	8,896
Reserve for State and Federal Grants	0	4,523,445	4,563,066
SOL Algebra Readiness	125,350	299,015	297,871
Special Education Jail Program Grant	107,622	101,003	103,065
Virginia Preschool Initiative	937,357	1,722,956	2,218,142
Summer School	1,394,311	1,607,789	1,607,789
Teacher Incentive Fund Grant	0	0	4,963,280
Technology (State)	1,933,032	0	1,818,000
Title I	5,351,635	9,083,280	7,896,278
Title II-D Technology	67,404	57,357	57,357
Title III - ESL	388,170	463,890	263,746
Title V	14,485	0	0
Title VI - B Special Education	9,257,809	9,195,084	9,253,956
Other Special Revenue Grants	63,903	41,000	121,605
Subtotal Grants	29,952,015	37,394,518	42,857,611
ARRA Federal Grants:			
Title I, Part A	311,433	0	0
Title I, Part D	8,566	0	0
Title II, Part D	154,146	0	0
Section 611 Flow-Through	1,280,074	0	0
Head Start	52,438	0	0
Homelessness Assistance	20,326	0	0
Subtotal ARRA Special Revenue Fund	1,826,983	0	0
Total Special Revenue Fund	\$48,445,008	\$55,648,334	\$61,352,128
Debt Service Fund:			
General Obligation	38,897,759	36,522,774	37,523,568
Total Debt Service Fund	38,897,759	36,522,774	37,523,568
Total Education - All Funds	<u>\$495,898,081</u>	<u>\$494,580,127</u>	<u>\$502,625,696</u>

EDUCATION

Description

The Henrico County Public School system is responsible for the construction, operation and maintenance of educational facilities and programs in the County. In November, 1995, voters in Henrico County for the first time elected School Board members to four-year terms. Previously, the School Board had been appointed by the County Board of Supervisors. The School Board is charged with providing a total educational environment to prepare the students of today for the world of tomorrow.

The Divisions of Instruction, Administrative Services, Operations, Finance, and School Board and Superintendent have been established to accomplish the educational objectives of the County. A description of each follows:

In FY2011-12, the Division of Instruction will provide instructional programs to 22,156 elementary school students (grades K-5); 11,159 middle school students (grades 6-8) and 15,132 high school students (grades 9-12). This Division includes the departments of Elementary Education, Secondary Education, Career and Technical Education, Exceptional Education, Technology and Information Services, and Staff Development.

The Division of Administrative Services provides support to instructional and non-instructional programs through recruitment, selection, assignment, and

evaluation of personnel. Additionally, this Division provides support to the other Divisions in the School system. This includes educational research, evaluation, student testing and assessment, program audit services, curriculum development, records management, facility monitoring, and system-wide planning services. Finally, the Division provides support systems for employees in Human Resources and Student Health Services; and analyzes current regulatory/legal and economic development for their affect on schools.

The Division of Operations provides support for building construction and maintenance, warehousing, pupil transportation, and the student breakfast and lunch programs for all schools.

The Division of Finance includes the areas of School Finance, Budget, Payroll, and General Services.

The Division of the School Board and the Superintendent is responsible for compliance requirements of Federal and State laws, regulations, and standards. The Superintendent, appointed by the School Board as the Chief Administrative Officer, is charged with establishing and supervising the policies of the Henrico County Public Schools in accordance with the laws of the Commonwealth of Virginia, the regulations adopted by the State Board of Education, and the directives of the Henrico County School Board.

Annual Fiscal Plan

<u>Description</u>	<u>FY10 Actual</u>	<u>FY11 Original</u>	<u>FY12 Approved</u>	<u>Change 11 to 12</u>
Personnel	\$ 382,511,764	\$ 378,255,002	\$ 387,266,192	2.4%
Operation	55,521,774	66,196,525	66,168,299	(0.0%)
Capital	17,053,381	13,605,826	11,667,637	(14.2%)
Debt Service	38,897,759	36,522,774	37,523,568	2.7%
Total	<u>\$ 493,984,678</u>	<u>\$ 494,580,127</u>	<u>\$ 502,625,696</u>	<u>1.6%</u>
Personnel Complement	6,633.80	6,584.80 *	6,540.25	(44.55)
Average Daily Membership	48,509	48,431	48,447	16

* The personnel complement in FY2010-11 reflects the Superintendent's Proposed Budget.

Education (cont'd)

Objectives

- To strengthen instruction across the curriculum and improve student performance at all grade levels in reading, writing, math, and analytical skills.
- To expand opportunities for adults.
- To ensure a level of staffing consistent with programmatic and support service needs.
- To meet compliance requirements of Federal and State laws, regulations, and standards.
- To operate and maintain all facilities and equipment in a manner to ensure optimal returns on the public investment.

Budget Highlights

The budget includes a total General Fund appropriation of \$403,750,000 for Education in FY2011-12. This amount represents a net increase of \$1,340,981 or 0.3 percent over the FY2010-11 Approved Annual Fiscal Plan. Of the \$403,750,000, \$198,771,000 (49.2 percent) will be provided from General Fund revenues. The Proposed Budget estimates \$204,979,000 (50.8 percent) in revenues from the State and Federal Governments to support Education. Projected State revenues of \$204,679,000 reflect an increase of \$5.5 million from the FY2010-11 budget, a 2.8 percent increase.

The local amount above does not include expenditures for Education debt service, which is funded entirely with local dollars. In the FY2011-12 budget, local Education debt service expenditures will total \$37,523,568, which is an increase of \$1,000,794 as compared to the FY2010-11 Approved Annual Fiscal Plan.

Education's FY2011-12 budget for the Special Revenue Fund totals \$61,352,128, which is a 10.2 percent increase over the FY2010-11 Approved Annual Fiscal Plan. The reason for this increase is twofold. First, this budget includes a new incentive pay pilot program funded by the U.S. Department of Education, officially named the Teacher Incentive Fund Grant, which amounts to \$4,963,280 in FY2011-12 and will total \$16.4 million over five

years. This pilot program will be implemented at eight eastern Henrico schools: Highland Springs High School, Fairfield Middle School, Wilder Middle School, Highland Springs Elementary School, Fair Oaks Elementary School, Laburnum Elementary School, Glen Lea Elementary School, and Adams Elementary School. The grant will allow teachers at these schools to receive up to \$8,000 in incentive pay and will allow school administrators to receive up to \$10,000 in incentive pay. This program could help in retaining teachers at these schools and eventually lead to improvements in student performance. Henrico and Prince William Counties are the only two Virginia school districts receiving the federal grant. Second, the FY2011-12 budget includes the reinstatement of \$1.8 million in State Technology Funds that were excluded from the current year adopted budget due to uncertainty as to whether or not these funds were being eliminated by the State (these funds were appropriated in the current fiscal year via budget amendment). In total, with all funds (General Fund, Special Revenue Fund, and Debt Service Fund) included, the FY2011-12 budget for Education totals \$502,625,696, which is an increase of \$8,045,569 or 1.6 percent as compared to the FY2010-11 Approved Annual Fiscal Plan.

A total of \$8,791,746 will fund operating costs associated with new facilities, including the 11th grade at Glen Allen High School, 12-classroom additions at Mehfoed Elementary School and Varina Elementary School, and 6-classroom additions at Tuckahoe Elementary School, Lakeside Elementary School, and Dumbarton Elementary School.

In the FY2011-12 budget, Education is eliminating 44.55 FTE, of which 27.5 are central office positions and 9.0 are instructional staff due to declining enrollment between FY2009-10 and FY2010-11. These positions will all be eliminated through attrition. Also included in the FY2011-12 budget is the elimination of permanent substitute positions. The proposed staffing level will reflect an average class size of 20.6:1 for elementary schools, 22.1:1 for middle schools, and 21.8:1 for high schools.

In addition to the elimination of positions through attrition, Education has also conserved funding in

Education (cont'd)

FY2011-12 through the following actions:

- Restructuring of Post Retirement Earnings Program (PREP) benefits for retired Schools employees.
- Renegotiated a number of contracts, saving nearly \$2.0 million.
- Identified cost savings in utilities, replacement textbooks, transportation services, and a number of other areas.

In the technology area, Education's FY2011-12 General Fund and Special Revenue Fund Budgets include \$12.6 million of funding for technology equipment, which includes funding for the Dell and Apple laptop leases. The laptop initiative began in FY2001-02 when the School system entered into an agreement with Apple Corporation to provide iBook laptop computers to all high school students and 7th and 8th graders. In FY2002-03, the agreement was amended to include 6th grade students. In FY2005-06, Dell began providing laptops to the high school students while Apple continues to provide laptops to the middle school students. The projected cost for the laptop initiative in FY2011-12 is \$6.8 million. An additional \$3.3 million is allocated for lease payments associated with laptop computers and printers at elementary schools. The FY2011-12 budget also includes \$2.5 million for the cost of high speed internet access as well as operating and maintenance costs associated with the local and wide area networks.

The School Resource Officer (SRO) Program, which is a joint effort with the Division of Police, assigns a Uniformed Police Officer to each middle and high school in the County. A total of 27 Police Officers participate in the program. The School Resource Officer provides a safer environment to the students and staff of the schools while also providing a positive role model and adviser to the students.

The passage of the General Obligation (GO) Bond Referendum in November 2000 by County voters resulted in the authorization of \$170.5 million of GO Bond funding for school capital projects in fiscal years 2000-01 through 2006-07. The original proposal included the use of \$9.0 million of interest earnings from prior school Virginia Public School Authority (VPSA) bonds to fund project costs. A revised financing plan included in the FY2001-02

Approved Annual Fiscal Plan, utilized \$12.6 million of VPSA interest earnings.

Approved in the referendum was funding to complete the construction of a new high school, build three new elementary schools, a new middle school, and an alternative middle school. Also funded were renovations at seven elementary schools, one middle school, and two high schools. Five of the elementary school renovations included additions. The referendum projects also included funding for asbestos abatement, tennis court replacements, and ADA enhancements.

GO Bonds were issued six times since November 2000 associated with this Referendum. The following table provides a summary of each GO Bond issue and the total debt issued for Education projects. The November 2006, FY2006-07, debt issue was the final issue associated with the November 2000 Referendum.

Fiscal Year	Amount	Issue Date
FY2000-01	\$37,110,000	May 2001
FY2001-02	\$8,674,055	February 2002
FY2002-03	\$41,597,975	January 2003
FY2003-04	\$12,549,826	May 2004
FY2005-06	\$39,883,931	August 2005
FY2006-07	\$26,691,167	November 2006
Total	\$166,506,954	

In March 2005, County voters approved a GO Bond Referendum, which resulted in the authorization of \$220.0 million of GO Bond funding for school capital projects in fiscal years 2005-06 through 2011-12. The approved funding in the March 2005 referendum will build a new high school, two new middle schools, and two new elementary schools. Also funded are additions and renovations at two high schools, the renovation of two middle schools, and the renovation of five elementary schools, two of which will include additions.

Because of the difficult economic environment, the County chose to take the prudent approach and delay the planned FY2009-10 issuance of GO Bonds, which were issued in FY2010-11. It should be noted that the County has \$22.9 million in outstanding GO Bond authorization for Education projects from the GO Bond Referendum approved in March 2005.

Education (cont'd)

The table below depicts the amount of Education funding in the GO Bond issues to date and the schedule for the remaining GO Bond issues approved on the March 2005 referendum.

Fiscal Year	Amount	Issue Date
FY2005-06	\$22,878,432	August 2005
FY2006-07	\$20,320,013	November 2006
FY2007-08	\$25,115,892	January 2008
FY2008-09	\$59,386,186	November 2008
FY2009-10	\$0	Delayed to FY11.
FY2010-11	\$61,205,089	July 2011
FY2011-12	\$22,931,208	Projected Spring '12

The FY2011-12 capital budget for Education is \$25,431,208, which includes \$22,931,208 in G.O. Bond projects including \$5,128,787 for the renovation

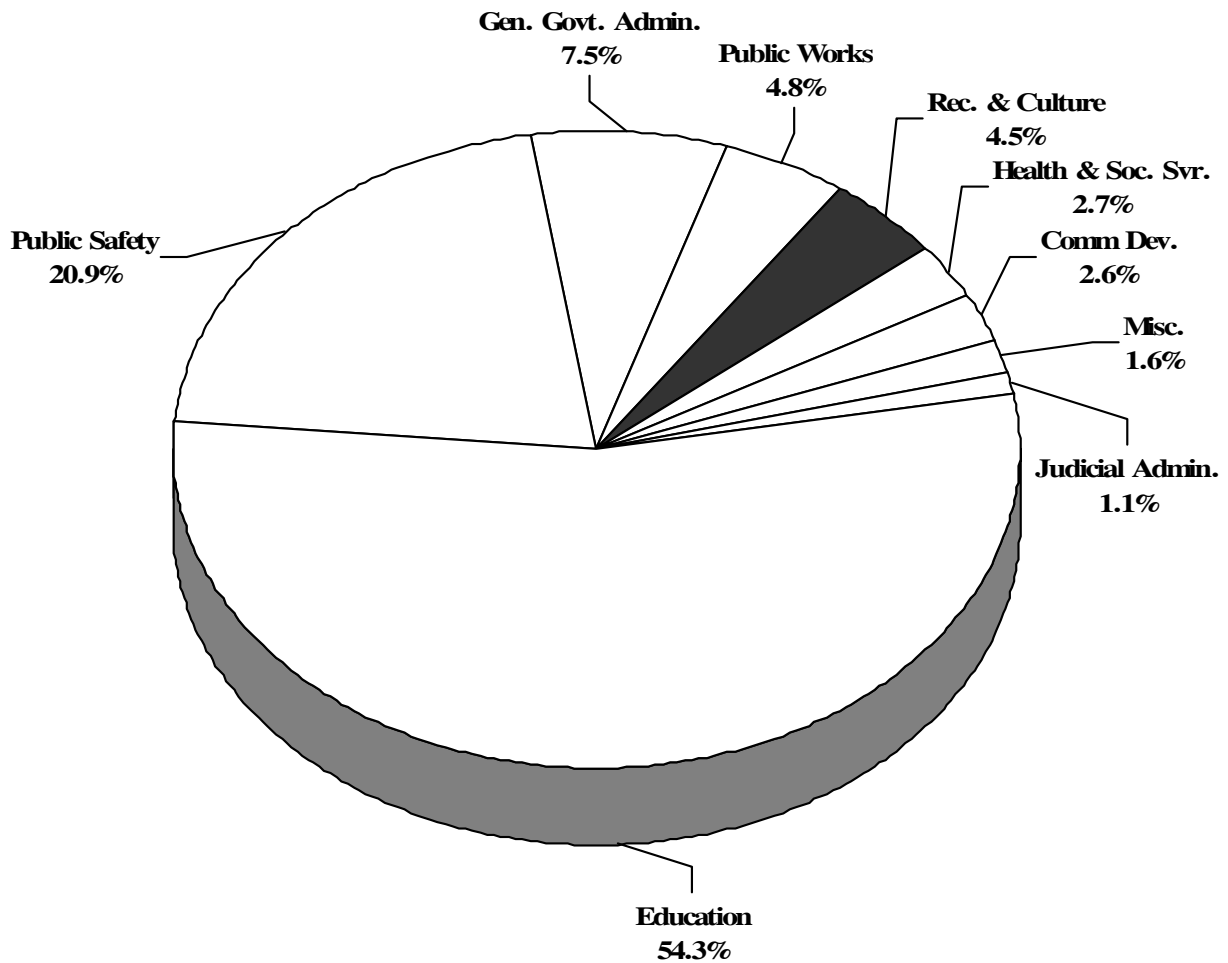
of Pinchbeck Elementary School and \$17,802,421 to add funding to the Education Bond Project Reserve to continue previously funded G.O. Bond projects that may be underfunded. The funding being allocated to the reserve was originally requested for projects that included only land, planning, and/or partial renovation costs within the \$220,000,000 approved by the citizens in the March 2005 G.O. Bond Referendum for Education projects. The Capital Budget also includes the annual \$2,500,000 General Fund allocation for roof replacements and mechanical improvement projects. The initiative to provide local funds for these maintenance needs began in FY1997-98. These County cash allocations for infrastructure repairs - specifically roof replacements and HVAC improvements - ensure that School facilities are maintained at the level expected by the citizens.



COUNTY OF HENRICO, VIRGINIA

Recreation, Parks, and Culture

\$33,257,069



Total General Fund

\$743,661,366

**COUNTY OF HENRICO, VIRGINIA
RECREATION, PARKS AND CULTURE - GENERAL FUND
FY 2011-12**

<u>Department</u>	<u>FY 09-10 Actual</u>	<u>FY 10-11 Original</u>	<u>FY 11-12 Approved</u>
Recreation & Parks:			
Administration	\$2,247,339	\$2,245,594	\$2,279,691
Recreation Services	5,793,229	6,426,760	6,798,974
Parks Services	<u>7,793,248</u>	<u>8,028,330</u>	<u>8,260,488</u>
Total Recreation & Parks	15,833,816	16,700,684	17,339,153
Public Library	14,726,112	15,634,256	15,917,916
Total Recreation, Parks and Culture	<u><u>\$30,559,928</u></u>	<u><u>\$32,334,940</u></u>	<u><u>\$33,257,069</u></u>

RECREATION AND PARKS

Description

The Division of Recreation and Parks offers a variety of quality programs and facilities to meet the leisure needs of the residents of Henrico County. To accomplish these objectives, the Division is composed of the following three sections: Recreation Services, Park Services, and Administration.

The Recreation Services section manages programs for the residents of Henrico County in the areas of general community, preschool, youth, senior adults, outdoors, special events, sports, therapeutics, nature, history and historic preservation, and cultural arts. This section also provides training and expertise to youth and adult sport associations in the County. Recreation Services manages the County's recreational facilities including Confederate Hills, Dorey, Deep Run, Twin Hickory and Belmont Recreation Centers, Three Lakes Nature Center and Aquarium, the museums at Meadow Farm/Crump Park and the Dabbs House, the Armour House at Meadowview Park, Walkerton Tavern, Henrico Theatre, the Clarke-Palmore House, Dabbs House, Osborne and Deep Bottom boat ramps, the Antioch, Highland Springs, and Hunton Community Centers, and the Belmont Golf Course.

The Park Services section oversees the County's park system of over 3,600 acres and also maintains the Division's athletic and recreation facilities. The Turf Management section combines the science of growing grass with the art of producing aesthetically

pleasing playing surfaces. This section currently maintains 117 irrigation systems at forty-seven locations throughout the County. The Landscaping section has a certified playground technician on staff and is responsible for the management of the Division's ponds, which includes erosion control and water quality monitoring. Furthermore, the Division is responsible for the maintenance of historic houses and facilities, which include the Meadow Farm farmhouse, the Clarke-Palmore House, Dabbs House, Cedar Hill, the Armour House, Nuckols Farm, Deep Run Schoolhouse, Henrico Theatre, and the caretaker houses at Dorey, Deep Bottom, and New Market Park properties in addition to the house on the Kain Road property.

The Administration section oversees all personnel, fiscal, and technology management issues. They also provide planning, research, and project management related to the development of new facilities and programs, community relations, and marketing for the Division.

Objectives

- To ensure the citizens of Henrico County are provided well-balanced leisure activities.
- To provide the citizens of Henrico County a safe and clean environment in all parks and athletic facilities.

Annual Fiscal Plan

Description	FY10 Actual	FY11 Original	FY12 Approved	Change 11 to 12
Personnel	\$ 11,337,047	\$ 12,039,284	\$ 12,692,406	5.4%
Operation	3,784,951	4,004,708	3,996,603	(0.2%)
Capital	711,818	656,692	650,144	(1.0%)
Total	<u>\$ 15,833,816</u>	<u>\$ 16,700,684</u>	<u>\$ 17,339,153</u>	<u>3.8%</u>

Personnel Complement 168 178 177 (1)

*One vacant position is being moved to the County's hold complement in FY2011-12.

Performance Measures				
	FY10	FY11	FY12	Change 11 to 12
Workload Measures				
Park Visitation	4,001,371	4,000,000	4,100,000	100,000
Number of Participants in Programs	396,900	397,000	400,000	3,000
Number of Recreation Programs	3,767	3,700	3,800	100
Number of Shelter Reservations	2,855	3,200	3,200	0
Number of Sports League Games/Tournaments	9,226	9,500	9,500	0
Number of Acres Mowed	22,284	24,000	24,000	0
Number of Athletic Sites Prepared	11,720	13,000	13,000	0
Number of Recreation Structures	175	175	178	3
Number of Trash Receptacles Maintained	1,483	1,500	1,500	0
Number of Work Orders Processed	4,898	5,200	5,200	0
Number of Special Events Set-ups	334	350	370	20
Number of Irrigation Systems Maintained	117	118	120	2
Number of Recreation Sites Maintained	122	122	124	2
Effectiveness Measures				
Percentage of Satisfied Customers (Fee-Based Programs)	100%	100%	100%	0%
Percentage of Athletic Fields Irrigated	54%	54%	54%	0%

- To ensure the protection of open spaces and historically significant properties in the County for the recreational and educational needs of future generations of citizens.
- To maximize the use of parks, open space, athletic sites and facilities using best management practices.

Budget Highlights

The Division's FY2011-12 budget is \$17,339,153, which represents a 3.8 percent increase over the FY2010-11 approved budget. The personnel component reflects an increase of \$653,122, or 5.4 percent due to full year funding for personnel costs associated with the Eastern Henrico Recreation Center. Also included in the personnel component are increases for merit adjustments and health care cost increase, and the moving of one vacant position to the County's hold complement. The overall operating component decreased by \$8,105, or 0.2 percent compared to the previous approved budget. The capital outlay component of the Recreation budget totals \$650,144. This total includes the continuation of the equipment replacement and the

facility rehabilitation programs. What follows is a synopsis of each sections' budget.

Administration

The FY2011-12 budget for the Administration section equals \$2,279,691. This reflects an increase of \$34,097 or 1.5 percent when compared to the approved budget. The personnel component increased \$51,967 as a result of fully funding an Account Clerk II position added in FY2010-11 to assist the business function with the additional workload created by the new programs at the Eastern Henrico Recreation Center. The operating component decreased by \$16,848 or 4.1 percent over the previous fiscal year driven mostly by a 25.0 percent reduction in technology replacement costs for the Division. The capital outlay component of the section's budget totals \$10,978 and provides for the replacement of Recreation and Park's various computer and telecommunication equipment throughout the fiscal year.

Recreation Services

The FY2011-12 budget for Recreation Services

Recreation (cont'd)

totals \$6,798,974, which reflects an increase of 5.8 percent when compared to FY2010-11. The personnel component increased by 6.4 percent due to fully funding the five positions added in the FY2010-11 budget for the opening of the Eastern Henrico Recreation Center. These positions are a Senior Recreation Coordinator, two Recreation Coordinator I, and two Recreation Coordinator II positions. In addition to the new positions, \$225,681 is included to fund part-time staff for the Eastern Henrico Recreation Center as well as funding for merit adjustments and increased health care costs for all employees. These increases were somewhat offset by the moving of one vacant position to the County's hold complement.

In addition to personnel, funding totaling \$74,566 was added to Recreation Services to fully fund the operating and programming costs for this new facility. In addition to the new funds for Eastern Henrico Recreation Center, funding was added for the operation and programming of the Virginia Randolph Museum. These increases are offset by other reductions, as the total operating component for Recreation Services only increased \$23,064, or 2.4 percent.

The capital component totals \$21,743 and includes \$9,750 to preserve historic artifacts and \$11,993 to purchase new and replacement furniture and fixtures for the various recreation centers. Revenue collected as a Set-Up Fee charged to the renters of the centers will offset a majority of the funding for the replacement of furniture. This fee was approved in FY2001-02 and the replacement furniture expenditures program was approved in the FY2002-03 budget.

The Recreation Services section organizes and supervises a variety of activities for Henrico County residents. Specifically:

- The Recreation Programs section plans and provides a variety of classes, workshops, events, activities, and programs for preschoolers, youth, teens, adults, and senior adults. These include programming in the areas of cultural arts, outdoor recreation, therapeutic recreation, and nature including the programs offered at Three Lakes Nature Center and Henrico

Theatre. It also operates the County's twelve recreation centers, including the Eastern Henrico Recreation Center planned to open in the fall of 2011. The Recreation Centers are available to be rented by the public for meetings and social events as well as the location of many recreation programs and activities.

- Historic Preservation and Museum Services provides tours, programs, classes and activities at the various historic sites managed by the County, including Meadow Farm, Deep Run Schoolhouse, Courtney Road Service Station, and the Dabbs House. They also inventory, preserve, and maintain all of the historic preservation collection for the County as well as the historic integrity of the Division's historic facilities.
- The Sports and Special Events section operates Laurel Skate Park and youth sports camps plus organizes adult and youth leagues and tournaments including managing the athletic field scheduling. The Henrico County park facilities played host to 14 tournaments, many with teams traveling from outside the Richmond Metropolitan Area and having an estimated economic impact of \$21,343,163 in FY2009-10. This section also plans, organizes, and staffs the Division's special events, which include the Old Fashioned Fourth of July, Harvest Festival, Ice Cream Socials, community events, park and facility dedications, and the Parade of Lights and tree lighting ceremony. Finally, the Sports and Events section reserves the rented park areas and rented equipment, manages the school use permits, schedules off duty police assignments, and supervises caretakers at Dorey Park, New Market Park, and Deep Bottom Boat Landings.

Park Services

In the area of Park Services, the budget for FY2011-12 is \$8,260,488, which represents an increase of \$232,158, or 2.9 percent when compared to the FY2010-11 approved budget. The personnel

Recreation (cont'd)

component reflects an increase of \$251,448, or 5.3 percent due to fully funding the full time positions and temporary staff for the Eastern Henrico Recreation Center that were only partially funded for FY2010-11.

The operating component of the Park Services budget decreased \$14,321, or 0.5 percent. This is despite the additional funds provided for the maintenance and utility costs of the Eastern Henrico Recreation Center and the Virginia Randolph Museum. Virginia Randolph Museum is anticipated to open in the summer of 2011 while Eastern Henrico Recreation Center will open in the fall of 2011.

The capital outlay component of the Park Services budget totals \$617,423, which reflects a decrease of \$4,969, or 0.8 percent. The total amount for capital outlay includes funding for the equipment replacement program, which was initiated in the FY2008-09 approved budget in order for necessary equipment to be replaced on a regular replacement schedule. In FY2011-12, a brush chipper, a 30' x 30' tent, a reel mower, a fertilizer spreader, two Z mowers, a tractor, an equipment trailer, and a scoreboard for Pouncey Tract Park will be replaced for a total of \$173,455.

The Facility Rehabilitation portion of the budget totals \$368,000 in the FY2011-12 budget. This plan was initiated in the FY2000-01 approved budget in order to maintain the Division's facilities on a yearly basis. Projects in the Facility Rehabilitation program include painting, power washing, and staining of structures throughout the County, maintenance of the ponds at County parks, field renovations, and electrical, HVAC, roofing, and fencing projects. This is in addition to the Division's Facility Rehabilitation program that is included in the County's Capital Improvements Program.

The Districts' crews operate in both the East and West sections of the County, providing mowing operations and athletic field management for the Division. The Resource Services section provides support to Division and County sponsored special events as well as assisting with other community events. The Turf Management crew monitors and maintains the Division's 117 irrigation systems installed at 47 locations throughout the County and

provides special mowing operations for irrigated athletic fields and common areas. The Trades crew maintains the Division's multiple facilities and equipment. The Landscape Management section provides the detailed landscaping of parks, inspects and repairs playground equipment, maintains numerous ponds and trails in the County's parks, maintains the stockroom for Park Services, and manages the custodial operations.

Division Revenues

Anticipated departmental revenue equals \$652,850 for FY2011-12, which reflects an increase of 4.0 percent when compared to FY2010-11. This increase is the result of an increased projection for room rentals at the County's recreation centers.

Highlights of Activities and Accomplishments

Leisure and recreation opportunities available in Henrico County continue to expand in spite of the current economic condition. New play equipment has been installed at Dorey Park, Deep Run Park, Twin Hickory Recreation Center, and Antioch Recreation Center. The trail at Virginia Randolph Recreation Area was replaced with a rubberized walking surface. Field renovations were completed at the soccer complex adjacent to Wilder Middle School. The mail car at RF&P Park was upgraded to improve its functionality. Finally, the Challenger Field was constructed and opened for play at Tuckahoe Park in spring of 2010. In addition, CDBG funds were used to replace the play equipment at Sandston Memorial Recreation Center in addition to the ADA improvements to the patio at Belmont Recreation Center.

Several projects are currently underway. The Eastern Henrico Recreation Center, a 2005 G.O. Bond Project, is scheduled to open in the fall of 2011. Through the Facility Rehabilitation program funded in the CIP the tennis courts are being renovated at Belmont Golf Course and Recreation Center. Funding was also provided to improve the historic facilities managed by the Division as well as a master plan for the land adjacent to the Belmont Golf Course. Finally, field improvements are currently underway at Varina High School along with the renovation of the Virginia Randolph Museum.

LIBRARY

Description

The Henrico County Public Library System (HCPL) delivers a variety of informational and recreational services to residents of all ages. These services include a professional staff to expertly answer citizen's questions, a comprehensive and contemporary materials collection, programs and activities for children, teens and adults, computer classes, book discussion groups, and more.

HCPL also offers a number of electronic and online services at more than 390 laptop and public workstations located throughout the system, a web-based Library Catalog, as well as access to the Internet and other electronic information resources.

Objectives

- To assist citizens of all ages with information and answers to questions on a broad array of topics related to work, school, and personal life.
- To meet children's, young adults', and adults' needs for recreational reading and associated services.
- To provide materials and services for self-directed personal growth and development opportunities.
- To maintain a strong web-based information presence to serve residents more effectively and efficiently.
- To supply citizens with information related to services provided by community agencies and organizations.
- To provide a place for people to meet and interact with others in their community and to discuss community issues.
- To maintain excellent materials collections in both traditional and electronic/online formats.

Budget Highlights

Henrico County Public Library's (HCPL) mission is to deliver excellent customer service through access to a varied collection of materials in a variety of formats, innovative technologies, programs and facilities.

Annual Fiscal Plan

Description	FY10 Actual	FY11 Original	FY12 Approved	Change 11 to 12
Personnel	\$ 10,021,382	\$ 10,670,460	\$ 10,696,787	0.2%
Operation	4,811,048	4,938,796	5,176,129	4.8%
Capital	23,282	25,000	45,000	80.0%
Total	<u>\$ 14,855,712</u>	<u>\$ 15,634,256</u>	<u>\$ 15,917,916</u>	<u>1.8%</u>

Personnel Complement	173	173	168 *	(5)
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*Five vacant positions are being moved to the "hold" complement.

Library (cont'd)

Performance Measures				
	FY10	FY11	FY12	Change 11 to 12
Workload Measures				
Annual Circulation of Materials	3,786,229	3,861,954	3,939,193	77,239
Customer Visits	1,904,924	1,952,547	2,050,174	97,627
Program Attendance - Children	48,469	48,954	49,443	489
Program Attendance - Teen/Young Adult	4,041	4,081	4,122	41
Program Attendance - Adult	7,840	7,918	7,998	80
Number of Holds Requested by Customers	384,061	403,264	423,427	20,163
Number of Holds Filled - Inside Library	303,491	318,666	334,599	15,933
Number of Holds Filled - Drive Up Window	51,831	54,423	57,144	2,721
Number of Library Cards Issued	19,420	19,614	19,810	196
Number of Classes Taught	309	312	315	3
Total Class Attendance	2,352	2,376	2,399	23
Number of Volumes Added	130,567	130,567	131,873	1,306
Outside Use of Meeting Rooms	85,377	87,511	89,699	2,188
Outside Use of Study Rooms	27,319	28,685	30,119	1,434
Materials Provided to Other Library Systems	2,258	2,258	2,258	0
Materials Provided by Other Library Systems	2,815	2,815	2,815	0
Efficiency Measures				
Number of Self-Service Check-Out Transactions	1,433,829	1,505,520	1,580,796	75,276
Number of Self-Service Check-In Transactions	1,070,526	1,124,052	1,180,255	56,203
Number of eBook Transactions	28,397	42,596	63,893	21,297
Number of Library Catalog Visits	668,886	735,775	809,352	73,577
Number of Library Web Site Visits	1,029,954	1,235,945	1,483,134	247,189
Number of Database Document Retrievals	380,025	437,029	502,583	65,554
Effectiveness Measures				
Reference Questions Answered	709,475	780,423	858,465	78,042
Number of Customers Using Public Workstations	178,539	180,324	182,128	1,804
Number of Sessions Using Public Workstations	559,596	559,596	570,788	11,192
Number of Public WiFi Connections by Customers	92,538	111,046	133,255	22,209
Number of Titles in Collection	318,991	318,991	325,371	6,380
Number of Volumes in Collection	798,943	806,932	823,071	16,139
Number of Electronic Databases Available*	43	43	43	0
Number of Volunteer Hours Used	6,454	6,454	6,519	65

*Includes Find It VA databases from the State

The library serves the County's diverse community by assisting customers in finding the information they desire, often using a variety of resources. Service is available not only in the traditional way through citizen visits to any of the 11 library facilities, but also through the "virtual branch" available online 24 hours a day, 7 days a week, as well as the library's expanding email reference services. To

accommodate citizens' changing needs, Henrico libraries are home to over 377 public computer workstations and 14 public laptops that are available for use during library visits, in addition to printers, scanners, and Wi-Fi access available to users.

The Department's approved budget for FY2011-12 totals \$15,917,916. This represents an increase of

Library (cont'd)

1.8 percent or \$283,660 from the FY2010-11 budget. Personnel costs reflect an increase of 0.2 percent, or \$26,327 due to salary and benefits increases. These increases were partially offset from the budgeting of a 2.75 percent vacancy savings. The operating component reflects an increase of \$257,333, or 5.2 percent, due to an additional \$541,894 budgeted for bond operating costs related to the Gayton Library Renovation, which is projected to open in early to mid FY2011-12. (\$521,894 was budgeted for operating and \$20,000 was budgeted for capital outlay). It must be noted that the department would have recognized a decrease of 5.83 percent to its operating budget had \$541,894 in additional funding not been allocated for operating costs for the Gayton Library Renovation. Without the additional funding for the newly renovated facility, the overall budget would have decreased by \$289,561, or approximately 1.7 percent.

Henrico County's 400th Anniversary

In celebration of Henrico County's 400th Anniversary, HCPL announced the launch of the Notable Henricoans Database on October 1, 2010. Following a year's worth of research by Library staff, an interesting and useful database was created that contains notable individuals who originated from Henrico County and went on to achieve something of significance both in Henrico County and throughout the world. Visitors to the website can read fascinating summaries of these famous Henricoans or delve further into their histories by pursuing recommended resources at the end of each summary. In addition, while continuing HCPL's commitment to outreach activities, the Bookmobile staff participated in Henrico's annual Harvest Festival in October 2010, that became the launch event for the 400th Anniversary Celebration. The festival was held at Meadow Farm Museum/Crump Park. Approximately 600 of the estimated 15,000 citizens who attended the event visited the festively decorated Bookmobile. The visitors used the opportunity to apply for library cards, check out a book, and relax under the pumpkin lights. The HCPL All Henrico Reads event that took place on April 5, 2011 was also held in conjunction with the 400th Anniversary Celebration.

Customer/Public Service Achievements

New Tool for Job Seekers

Library use is up across the nation, as well as in Henrico County. Throughout the day, each public computer workstation is often occupied with customers looking for jobs, filling out applications, developing resumes and taking advantage of the unique educational opportunities offered by HCPL. To provide additional support to those looking for jobs, HCPL recently added Optimal Resume.com software that is available online at the library's website at www.henricolibrary.org. This service helps citizens create, present, and manage their resume all online with a series of sophisticated, yet easy to use tools. Individuals can store several different resumes and can return any time in the future to update them. Online assistance includes specific examples and formats, spell checking, and a style feature that helps to make the resume unique and attractive. Library staff is available to assist citizens with questions related to this service.

Redesigned Website

The HCPL website was completely redesigned to improve the content and organization for ease of use by online customers. Both the children and teen's web presence was made more appealing and more user friendly for younger library members. Both sites have new and improved homework help pages, as well as a teacher request feature where educators can let staff know about homework assignments or request a library visit. On the children's site, an online book club, fun pages, and information for parents were added. On the teen site, several interactive features were added, such as the "Ask a Teen Librarian" button which appears on every page, a weekly poll, and a suggestion box. New and improved booklists were also added, as well as an author spotlight featuring popular teen authors. A Teen Creations page has been added where teens can post their writing and artwork.

Senior Webpage

HCPL has also launched its newest website, Senior Space, specially designed for senior citizens. Senior members can easily access it by going to www.henricolibrary.org/seniors. With rave reviews already coming in, the Senior Space's most popular

Library (cont'd)

features so far have been how easy it is to find things, the interesting web sites that are featured, the clean screen, the size of the print, and that the site is not cluttered. The daily crossword puzzle has also been a hit. Staff will continue to incorporate design recommendations by the AARP, National Institute on Aging, and the National Library of Medicine.

Wi-Fi Continues to be Popular

Wi-Fi continues to be extremely popular in all libraries. With the increased numbers of citizens cutting back on their personal expenses at home, this free connection at the public library has truly become a value-added service. Using their HCPL card, members can come in with their laptops and use the library network to access email and the Internet. Many use this service to look for and apply for jobs. This filtered access is the same as children's, young adult, and computer lab areas of the public library. There were over 92,500 Wi-Fi connections in 2010 reflecting an enormous growth in the public's use of this service.

Social Media

HCPL exhibited a leadership role in researching how social media could enhance communications with the community. Following up on the Web 2.0 training developed internally by library staff, the public library offered extensive workshops and training for other county agencies. In May, both Facebook and Flickr were added to the public library's web presence, followed by the launching of a Twitter account in June and a library discussion forum in late September. These sites have already captured significant online subscribers. Facebook followers now number 271 with more and more subscribing each week. The Flickr photos featured on each of the library's branch pages continue to attract the most visitors, particularly evidenced during the Glen Allen Library's reconstruction process.

New Online Newsletter

With a continuing commitment to explore new ways of communicating with our community, HCPL launched an online monthly email newsletter in October. With the stipulation that the subscribers must opt-in to receive the newsletter, over 500 people are already signed up. After two editions,

the most popular feature so far has been the Book & Author Question of the Month where the first person getting the correct answer wins a \$25 gift certificate to a local bookstore. Funding is provided by the Friends of the Library, which is a non-profit organization that raises money to support library activities.

Summer Reading

HCPL experimented with several new features to the annual Summer Reading Program, as well as continuing those that have been popular. The online summer reading program provides the opportunity for all age levels to keep track of their reading and printout a list of the books that they read. Teens and adults also had the option of writing reviews to share with other participants. Childcare centers had a new benefit this past summer, as teachers were able to register their classes as a group and read aloud to them. Each child in the class was eligible to receive the incentives, just as they would if they were doing the program individually at home.

To celebrate the arrival of Richmond's new baseball team, the Richmond Flying Squirrels mascot, Nutzy, visited three libraries to get kids excited about reading. Nutzy was a big hit with children and adults alike, strolling through the library greeting patrons and giving high fives and autographs. The Flying Squirrels also donated family four-packs of tickets to a baseball game, and the winners were selected through a random online drawing from among the Summer Reading Club participants. Each library location awarded one of the four-packs of tickets from among all those registered in any of the three age level (Kids-Teen-Adult) clubs.

Thanks to funding from the Friends of the Library, a Kindle was awarded to the adult reading program winner, and two Netbooks were awarded to both the teens' and children's winners.

The popular C-Shells group returned this year to kick off the programming for the summer, and Activated Storytellers, a national performance group, thrilled families with their antics and their water wonder tales that fit so well with the theme, "Submerge Yourself."

Library (cont'd)

National and Local Awards

Henrico County Public Library again was honored to have been recognized with two national awards. The National Association of Counties Achievement Award (NACo) was given for a Teacher Cadet Program at the Twin Hickory Area Library. Elvis sideburns, silly-string and bubble machines were used in a workshop designed to get teens pumped about pursuing a career in education. The library not only provided space for the crowd of over 150 students, but also addressed the students in a 90 minute workshop that motivated them to become future teachers.

The National Association of Counties Achievement Award (NACo) was also given for Twin Hickory's innovative Senior Outreach Program. The Friends of the Twin Hickory Area Library began collaboration with library staff to offer monthly Senior Programs for residents of assisted living facilities in the area. After two years, this program is still going strong and continues to receive positive feedback from the community. The programs, both entertaining and educational, have included musical performances, travelogues, film screenings and games. Accomplished by a successful partnership between the Friends of the Library volunteers and HCPL staff, the Senior Programs have reached a segment of the Henrico population that was underserved and in need of activities tailored to their interests. Programs have attracted a regular audience of 30 to 40 residents from 4 to 5 assisted living facilities each month.

Programs and Activities

School Bus Safety

The library once again teamed with the Henrico County Public Schools Department of Transportation to present four popular school bus safety programs for 325 parents, kindergartners, and siblings. Children who were entering kindergarten had the opportunity to climb aboard a school bus and listen to a safety presentation. They were then invited to the library for a story or activity, and were given a box of crayons and a bus safety book to take home. Information was also provided for parents.

Teen Workshops

Henrico County Public Library worked with the Teen Advisory Board and teen librarians to host a series of workshops designed to give teens an opportunity to acquire assets for healthy development by pursuing creative interests or learning a new skill or competency.

The final series of summer teen Manga cartooning workshops, presented by local cartoonist, Kirk O'Brien, were held at the Fairfield, Dumbarton, and Twin Hickory Area Libraries. The workshops were well-attended by over 100 teens, who gave good evaluations about the presenter. In addition, The Virginia Credit Union presented a weeklong Teen Summer Money Camp highlighting the importance of saving and budgeting, selecting a career, buying a car, renting vs. buying a home, and the basics of investing. An average of 20 teens participated in each of the five days.

The Henrico Extension Office once again offered their annual babysitting workshops to capacity crowds at the Dumbarton, Sandston, and Twin Hickory Libraries. Writing workshops with Chris Carleton Brown, a published teen author who lives in Henrico, were offered at the Twin Hickory and Fairfield Area Libraries. Drawing workshops with graphic artist, Forrest Young, were held at Gayton, Varina and Dumbarton Libraries. All of these workshops had attendance at or near the maximum space available.

Henrico Police Athletic League (PAL)

Henrico Police Athletic League (PAL) summer camp participants visited the four area libraries during the summer. The camp participants, broken into groups with each child or teen scheduled to come to the library for two 2-hour visits, which allowed the libraries to accommodate almost 200 young people in the PAL camp, while maintaining a manageable group size. The PAL participants enjoyed either a game day or a movie day during their 2-hour visits. The library also hosted a repeat camp for participants who had been unable to attend.

Library (cont'd)

Tuskegee Airmen

The Tuckahoe Area Library, in partnership with the Friends of the Library, celebrated Black History Month with a special presentation by members of the Tidewater Chapter of the Tuskegee Airmen, whose role in WWII paved the way for the future of an integrated United States military. Two of the original members of the Tuskegee Airmen presented a program highlighting the struggles and achievements of this legendary unit that fought prejudice in their own country while fighting Nazis in the skies of North Africa, the Mediterranean and Europe. The library also displayed models of the Tuskegee Airmen aircraft, photographs, and books.

Multicultural Community Outreach

HCPL continues to explore its role in helping to support families whose native language is not English. This year's focused efforts to reach out to the Latino and Hispanic communities were highlighted with three signature community events, which are listed below.

ESL Conversation Cafés

The Henrico County Public Library coordinated with the Welcome Center for Henrico County Public Schools to distribute flyers to families of ESL students to inform and attract those new to the Henrico community to participate in the library's ESL Conversation Cafés. The Library's Multicultural Committee began volunteer recruitment for the upcoming "ESL Conversation Cafés" pilot programs that were held at the Dumbarton and Tuckahoe area libraries in the spring. The programs were for adults who wanted an opportunity to practice speaking newly learned English in an informal setting. The format of the programs was not a formal class nor instructional in nature; rather, the format allowed people to talk casually in groups led by staff and volunteers. Programs started in March, and due to their consistent community participation have continued two evenings a month at Dumbarton and Tuckahoe Libraries.

Virginia Hispanic Chamber of Commerce Job Fair

The HCPL Multicultural Committee and other

library staff members participated in FERIA de la Oportunidad, the job fair presented by the Virginia Hispanic Chamber of Commerce. The event is dedicated to connecting the Latino labor force to job opportunities and brings together employers, partners, sponsors, service providers, and educational resources that support the Hispanic community. Over 5,600 people attended the fair this year at the Arthur Ashe, Jr. Athletic Center. HCPL staff promoted library services and shared information about how the library can help job seekers. Information about the HCPL ESL Conversation Cafés at Dumbarton and Tuckahoe was also shared at this event.

Qué Pasa? Festival of Virginia

This fall, staff from HCPL's Multicultural Committee, Bookmobile, Tuckahoe Area Library, and Library Headquarters participated in the Virginia Hispanic Chamber of Commerce's eighth annual ¿Qué Pasa? Festival at the Science Museum of Virginia in celebration of National Hispanic Heritage Month. HCPL's exhibit featured games, prizes, program handouts, and information about becoming a library member that were shared with approximately 9,000 people who attended the festival this year.

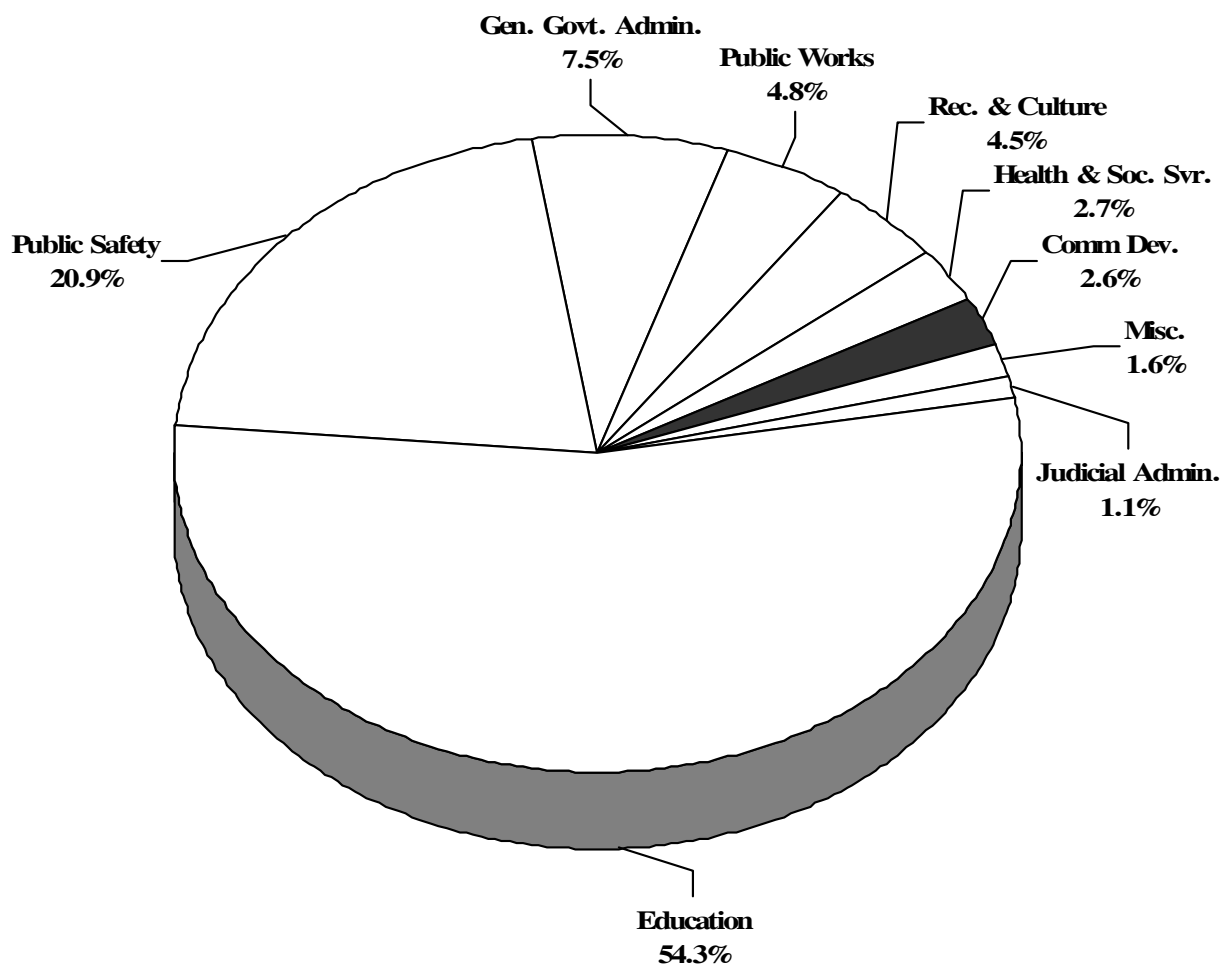
Summary

Despite the challenges of the economy, the Henrico County Public Library is growing and changing to meet the needs of the community. Library staff will continue their efforts to provide the exceptional public service that is a part of the Library's heritage. Service that is provided to members of the library family, as well as to the community. As evidenced by the many new initiatives, HCPL will continue to look for new ways of reaching out and serving our community. As many customers come to the library to retool, look for a new job, or to find a book, library staff are ready to serve their needs, and identify resources and programs that will inform, entertain and inspire them.

COUNTY OF HENRICO, VIRGINIA

Community Development

\$19,058,975



Total General Fund

\$743,661,366

**COUNTY OF HENRICO, VIRGINIA
COMMUNITY DEVELOPMENT - GENERAL FUND
FY 2011-12**

<u>Department</u>	<u>FY 09-10 Actual</u>	<u>FY 10-11 Original</u>	<u>FY 11-12 Approved</u>
Economic Development	\$12,707,772	\$12,472,202	\$12,474,686
Planning:			
Administration	3,764,503	3,924,053	3,744,856
Board of Zoning Appeals	147,798	148,650	148,650
Total Planning	<u>3,912,301</u>	<u>4,072,703</u>	<u>3,893,506</u>
Community Revitalization	1,506,845	1,576,211	1,534,445
Agriculture and Home Extension	323,917	350,106	351,596
Permit Center	866,356	880,910	804,742
Total Community Development	<u><u>\$19,317,191</u></u>	<u><u>\$19,352,132</u></u>	<u><u>\$19,058,975</u></u>

ECONOMIC DEVELOPMENT

Description

The Economic Development Authority was created as a political subdivision of the Commonwealth of Virginia and, as such, may issue tax exempt bonds for the purpose of promoting industry and developing trade, by inducing desirable businesses to locate or remain in the County. The bonds and notes financed by private lenders for approved projects do not constitute a debt of the Commonwealth, the County, or the Authority. The debts are repaid solely from the revenues and receipts derived from the projects.

In 1984, the Authority was designated as the official economic development organization for the County of Henrico, and was authorized to undertake those activities necessary to accomplish the County's economic development goals. Although the Authority is officially independent of the County, it works closely with the County government and receives support in the form of an annual operating subsidy. This budget includes that subsidy. Reimbursements for expenditures are subject to the same controls as other County departments.

Objectives

- To increase the number of successful locations of new businesses in Henrico County.

- To conduct a successful business retention program.
- To create employment opportunities and to increase the nonresidential tax base.
- To increase the number of corporate inquiries and prospect visits to Henrico County.
- To promote the retention and expansion of existing major primary corporate businesses.

Budget Highlights

In addition to supporting the daily operations of Henrico's economic development activities, this budget for FY2011-12, contains the County's \$370,000 share of contributions to the Greater Richmond Partnership, a total of \$1,750,847 for the Richmond Metropolitan Convention and Visitors Bureau (RMCVB), and \$10,000 for the Virginia High Speed Rail Development Committee.

Since FY1997-98 the County's share of the Richmond Center Expansion Project, funded with Hotel/Motel Tax Revenues, has been included in this budget. Beginning in FY2000-01, the entire 8.0 percent

Annual Fiscal Plan

Description	FY10 Actual	FY11 Original	FY12 Approved	Change 11 to 12
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	3,842,464	3,271,402	3,270,886	(0.0%)
Capital	3,640	800	3,800	375.0%
Sub-Total	\$ 3,846,104	\$ 3,272,202	\$ 3,274,686	0.1%
Other Payments	8,861,668	9,200,000	9,200,000	0.0%
Total	<u>\$ 12,707,772</u>	<u>\$ 12,472,202</u>	<u>\$ 12,474,686</u>	<u>0.0%</u>
Personnel Complement*	N/A	N/A	N/A	N/A

* Six employees are supported by the County in this budget, but are not in the County's Complement. Another employee, added during FY2010-11, is paid entirely with EDA Funds

Economic Development (cont'd)

Performance Measures				
	FY10	FY11	FY12	Change 11 to 12
Workload Measures				
Prospects Available	95	95	95	0
Retention Calls Made	650	690	690	0
Effectiveness Measures				
Successful Prospects	38	35	35	0

Hotel/Motel tax collection is transferred to the Richmond Convention Center Authority. At the end of the fiscal year, Henrico's local 2.0 percent component is returned from the Authority. In FY2011-12, \$9,200,000 is included for the Richmond Center Expansion Project.

Members of the Authority's staff are not included in the County's complement since they are paid by the Economic Development Authority. The majority of funding for these positions is provided by the County.

When combined, the approved budget for the operating and capital needs of the Economic Development Authority has increased by \$2,484, or 0.1 percent, as a decrease of 2.5 percent in the discretionary portion of the Authority's operational spending was offset by an increase in Other Contractual Services.

The Other Payments category, which is unchanged at \$9,200,000, is the County's obligation for the Richmond Center Expansion Project.

The following historical information is noted:

What follows is a table of RMCVB funding budgeted in the previous four fiscal years.

FY2010-11	\$1,750,847
FY2009-10	\$1,945,101
FY2008-09	\$1,805,189
FY2007-08	\$1,750,847

What follows is a table of funding budgeted for the Greater Richmond Partnership in the previous four fiscal years.

FY2010-11	\$370,000
FY2009-10	\$370,000
FY2008-09	\$390,000
FY2007-08	\$390,000

PLANNING

Description

The Department of Planning provides staff support to the Planning Commission, the Board of Zoning Appeals, and the Board of Supervisors relating to land development activities in the County. The department is organized into five divisions: Comprehensive Planning; Development Review and Design; Zoning Administration; Planning Systems; and Administrative.

Comprehensive Planning prepares long-range plans, evaluates rezoning requests, and handles planning data management, demographic and land-use information. Development Review and Design is responsible for the review of development plans. Zoning Administration enforces subdivision and zoning ordinances of the Henrico County Code. The Planning Systems Division provides information technology support to the entire department. Administrative Support provides budget, personnel, and clerical support for the operation of the office.

Objectives

- To provide a comprehensive planning program with an emphasis on urban design in order to provide both public and private decision makers with a more informed basis for land use decisions and growth management.
- To continue an enforcement program that obtains compliance with the code for new development as well as correcting zoning and subdivision violations.
- To provide timely services to the public, other agencies, and technical and administrative support to the Board of Supervisors, the Planning Commission, and the Board of Zoning Appeals in matters relating to the Comprehensive Plan, zoning and subdivision ordinances, building permits, plans of development, subdivisions, use permits, variances, rezoning and enforcement of zoning regulations.
- To encourage the continued economic development of the County by continuing to work with the Economic Development Authority, developers, their representatives, and the general public to facilitate and expedite their requests for development approval or general planning assistance.
- To improve and protect the health, safety, and welfare of Henrico citizens consistent with the Code of Virginia, policies, ordinances, and resolutions adopted by the Board of Supervisors with good land use planning and zoning practices.
- To inspire and encourage the protection and enhancement of natural, historical, and cultural resources through the preservation of those sites, buildings, features, and structures identified as important to Henrico County's heritage.

Annual Fiscal Plan

Description	FY10 Actual	FY11 Original	FY12 Approved	Change 11 to 12
Personnel	\$ 3,554,500	\$ 3,671,267	\$ 3,514,616	(4.3%)
Operation	318,851	395,436	370,890	(6.2%)
Capital	38,950	6,000	8,000	33.3%
Total	<u>\$ 3,912,301</u>	<u>\$ 4,072,703</u>	<u>\$ 3,893,506</u>	<u>(4.4%)</u>
Personnel Complement*	49	49	46	(3)

*Three vacant positions were removed from the complement and placed in the Human Resources' hold complement.

Performance Measures				
	FY10	FY11	FY12	Change 11 to 12
Workload Measures				
Reviews Completed by Dev. Review & Design	256	270	270	0
Zoning Petitions & Provisional Use Permits	48	56	56	0
Variance and Use Permits Processed	37	37	37	0
Maps Prepared	743	819	819	0

- To continue to maintain effective and efficient procedures for meeting legal requirements that set forth maximum time periods within which activities must be accomplished.
- To implement decisions of the Board of Supervisors and the policies of the County Manager related to Department of Planning responsibilities.

Budget Highlights

The Department of Planning's approved budget for FY2011-12 is \$3,893,506, which represents an overall decrease of \$179,197 or 4.4 percent from the previous approved budget. The personnel component decreased by a net difference of \$156,651 or 4.3 percent. This reduction was driven by the removal of three vacant positions from the complement, the reduction in VRS life insurance, and budgeted vacancy savings. This decrease was offset by merit adjustments as well as an increase in health care expenditures for the remaining positions.

The operating component is forecasted to decrease by \$24,546 or 6.2 percent from the previous approved budget. This portion of the budget reflects the county-wide adjustment in technology replacement and automotive/motor pool. The impact of these adjustments reduced the operating component by \$12,916. As a result of changing the day of the week legal notices are published in the local newspaper, advertising costs are forecasted to decrease by \$11,630 or 15.1 percent in FY2011-12. This reduction allowed the department to meet the operating budget adjustment as well as reallocate funding to the capital component.

The capital component is forecasted at a total cost of \$8,000 and reflects an increase of \$2,000 or 33.3 percent from the previous year. This funding will

provide for replacement of various types of small computer equipment and office chairs.

The Department of Planning mission statement is as follows: "To provide the professional planning leadership to accomplish excellent management of the valued resources which create our coveted quality of life". This budget supports this mission as well as the costs of the Planning Commission and the Board of Zoning Appeals.

Although the economic downturn has had an adverse effect on development related activities and recovery is expected to be at a slower pace than previously experienced, interest in the County of Henrico by the development community continues. The department is using this period of slow recovery as an opportunity to complete a number of land use studies as well as special projects to strengthen efficiency and productivity for when the development community interest turns back to activity.

The department's Comprehensive Planning Division continues to gather, update, and maintain the County's demographic profile. The division continues to maintain the database and improve upon the methodology to ensure accurate data is delivered to local, regional, and federal customers on demand. The division completed the County of Henrico, 2026 Comprehensive Plan, which was adopted by the Board of Supervisors on August 11, 2009. The adopted plan is the County's tool in guiding development through the year 2026. Staff has begun to work on several implementations of the plan including a Public Facilities handbook and the final draft of the Design Guidelines Manual. In addition, staff is working on the first draft of a zoning ordinance for Traditional Neighborhood Development, which is one of two new land use classifications recommended in the plan. Staff has also begun drafting the second ordinance for the Suburban Mixed Use land use classification.

Planning (cont'd)

Comprehensive analysis regarding the appropriate land use and development potential of certain areas have been completed entirely by county staff, no outside consultants assisted in these efforts. One of the larger projects, the Innsbrook Area Land Use Study, resulted in new future land use designations, revised goals, and development strategies and the designation as an Urban Development Area for the study area. The department is currently working on a plan and market study for the Regency Square area to determine if recommendations to amend the 2026 Comprehensive Plan are warranted.

The Development Review and Design Division's work indicators continue to show a reduction in most categories from last year's levels, with the exception of retail and industrial/warehouse space, which both increased slightly. Office space approvals saw a significant decrease. Residential development for single-family approvals reflected a decrease in conditional approvals and recordation of new lots. There was, however, a slight increase in the number of lots receiving final approval than the previous year. Multifamily development was at its lowest level in five years, with no approvals for townhouses or condominiums. Retail development saw a slight increase, up 3.0 percent from 2009, but was still significantly lower than the levels between 2006 and 2008, which saw the approvals of West Broad Village, White Oak Village Shopping Center, The Corner at Short Pump, and Staples Mill Centre. There was no hotel development this year but industrial/warehouse development saw an increase of 29.0 percent from last year's level. Office development decreased substantially to its lowest level in the past ten years.

The Zoning Administration Division handles the caseload of the Board of Zoning Appeals (BZA). The staff of this division devotes an increasing amount of time in preparing reports and presentation materials for each case. The Tidemark Accela tracking system and FileNet electronic system, combined with the automated database system and the Geographic Information System have enabled staff to provide more detailed information to the BZA, empowering the board to make better decisions. The Zoning

Enforcement section is focused on review of new development to ensure conformance with approved plans as well as inspecting transferred plans of development. The BZA's caseload includes cases involving use permits, variances, and appeals of decisions made by the Director of Planning. Variances accounted for almost half of the BZA's cases in FY2009-10.

The Planning Systems Division provides support for the department's desktop computers, systems and applications, web page, electronic document management, and GIS. In addition, this division produces all of the maps and many of the graphics for each planning case presented before the Board of Supervisors, Planning Commission, and Board of Zoning Appeals.

The Administrative Division provides office management services to the department including budget and finance oversight, personnel administration, procurement services, records management, legislative tracking, and general clerical support. Administrative staff works closely with other county agencies on behalf of the department and ensures compliance with County policies and procedures.

The Department of Planning won two NACO awards this year. The Employee Retention and Enhancement Program focuses on achieving the full potential of staff thereby enhancing customer service, department operations, and the career paths of its employees. The Online Development Plan Review System enriches the overall efficiency of disseminating agency review comments to both internal and external users. Both of these projects involved a significant number of staff hours dedicated to development and implementation.

The Department collects certain fees to help offset the expenses depicted in this budget. These include zoning application fees and fees paid for the sale of GIS maps. These two revenue sources are budgeted for \$150,000 in FY2011-12. This accounts for 3.9 percent of the department's total budget.

COMMUNITY REVITALIZATION

Description

The Department of Community Revitalization coordinates the County's growing revitalization efforts and community development programs. The department plays an integral role in the enhancement of existing residential, commercial, and industrial areas in the County. The Department is divided into two major divisions (Community Development and Community Maintenance) and is responsible for administering the following programs: Community Maintenance program; CDBG/HOME programs; Virginia Enterprise Zone program; Commercial Revitalization Assistance; Neighborhood Revitalization Assistance; and property maintenance and zoning enforcement in developed communities.

Objectives

- To identify needs within the County's older communities and offer staff and volunteer services to improve properties and structures as a part of the Volunteer Assistance program.
- To prepare commercial enhancement plans in older commercial corridors and districts in the County in order to identify barriers for new investment and to develop realistic plans of action for addressing concerns.
- To coordinate the review of tax credit applications and low-interest bond financing requests in order to encourage rehabilitation and new investment in the County's older multifamily developments.
- To coordinate the activities of the County's Commercial Assistance Team to encourage new investment in the County's older commercial corridors and districts.
- To prepare neighborhood plans in older residential communities in the County in order to ensure that such areas remain attractive for existing and potential residents.
- To perform special projects requested by the Board of Supervisors, County Manager, or other departments.
- To administer and aggressively market the County's Enterprise Zone program to potential new and existing businesses and/or property owners.
- To administer the CDBG/HOME programs to assist in meeting the County's community development objectives.
- To administer the Community Maintenance program of environmental and zoning enforcement.

Annual Fiscal Plan

Description	FY10 Actual	FY11 Original	FY12 Approved	Change 11 to 12
Personnel	\$ 1,188,817	\$ 1,215,998	\$ 1,190,452	(2.1%)
Operation	313,976	350,599	334,379	(4.6%)
Capital	4,052	9,614	9,614	0.0%
Total	<u>\$ 1,506,845</u>	<u>\$ 1,576,211</u>	<u>\$ 1,534,445</u>	<u>(2.6%)</u>

Personnel Complement* 18 18 17 (1)

*Personnel Complement does not include 6 Complement III positions that are funded through grant programs. Also one vacant position is being moved to the hold complement in FY2011-12.

Community Revitalization (cont'd)

	Performance Measures			
	FY10	FY11	FY12	Change 11 to 12
Workload Measures				
Community Maintenance Cases	11,345	11,400	11,500	100
Inspections Made	29,138	29,000	29,200	200
Technical Assistance to Business	380	400	420	20
Enterprise Zone Design Assistance Provided	8	12	18	6
Enterprise Zone Façade Grants Awarded	2	4	6	2
Efficiency Measures				
Volunteers Participating	532	575	625	50
Volunteer Hours Worked	6,242	6,500	6,600	100
CCP Hours Worked	6,157	6,200	6,300	100
Effectiveness Measures				
Violations Issued	4,739	4,750	4,760	10
Enterprise Zone Façade Grants Completed	5	3	5	2
Value of Enterprise Zone Grant Assisted Projects	\$100,827	\$120,000	\$125,000	\$5,000
Value of All Enterprise Zone Projects	\$23,091,005	\$25,000,000	\$30,000,000	\$5,000,000
Value of Grants Awarded	\$48,094	\$50,000	\$60,000	\$10,000

Budget Highlights

The Community Revitalization Department's mission statement is as follows: *"To coordinate the County's revitalization programs and services intended to promote healthy, vibrant, and attractive residential, commercial, and industrial communities."*

The Department's budget for FY2011-12 is \$1,534,445. This represents a decrease of \$41,766 compared to the FY2010-11 approved budget. Personnel costs reflect a total decrease of \$25,546 or 2.1 percent and reflect the removal of one position from the department's complement, merit adjustments and budgeted vacancy savings of \$29,343. The operating component reflects a total decrease of \$16,220, or 4.6 percent. Capital outlay reflects no change and is budgeted to provide for replacement furniture and office equipment as needed during the fiscal year.

In the FY2011-12 budget, \$11,000 will be budgeted for Interdepartmental Billing. These funds will be used to repay other County departments, such as Public Utilities, that incur expenses in their routine work, that properly relate to community maintenance activity and responsibility. Those expenses incurred by other departments are charged to the Department during the year.

The Department is dedicated to preserving and revitalizing the County's mature neighborhoods and developed the award winning Homeowner's Enhancement Guide in 2010 as a means to help property owners envision an improved and more comfortable home for the future. This new neighborhood revitalization tool is intended for homeowners and prospective purchasers of older homes, which may be in need of modernization and enhancement. Elements of the guide are of value for newer homes as well. The guide provides homeowner's with a number of ideas and tools to modernize and enhance their homes and property. By enhancing the appearance of a property it can increase the value, increase the tax base and contribute to the desirability of the neighborhood.

The Community Development Division administers the Housing and Urban Development CDBG and HOME grant programs within Henrico County. These grants, which are awarded by the Federal government each year, are based on the Federal fiscal year. There are six positions within the Department that are fully grant-funded and are not included in the personnel complement. This funding is appropriated each September once the grant award is made and the projects and programs to be supported by the award

Community Revitalization (cont'd)

have been identified. Grant funding not expended by the end of the County's fiscal year is reappropriated in the following year in order to complete the use of this funding. A few of the Community Development Division's major accomplishments within the CDBG and HOME grant programs include the continuation of the ElderHomes Housing Rehabilitation Program, the CONNECT Program for at-risk youth, and down payment assistance to first-time homebuyers.

The Community Development Division also administers the Enterprise Zone Program, including the Commercial Assistance Program and the Commercial/Industrial Grants Program. In 2010, the Enterprise Zone was amended to add properties generally along Quioccasin Road, North Parham Road, Starling Drive, Villa Park Drive, South Laburnum Avenue, Eastport Boulevard, and Byron Street, while some residential properties and excess right-of-way were deleted, which provides more acreage for future designation. The State also approved a modification to the existing paving grant incentive to allow for the sealing and striping of existing parking areas.

The Community Maintenance Division conducts field inspections, performs community clean-ups, and provides assistance activities for neighborhoods throughout the County. The Division is involved in Operation Paintbrush, which matches civic, church, and neighborhood groups with indigent senior citizens whose houses need minor repairs and painting. This Division also gives community presentations for a number of organizations to raise citizen awareness regarding typical zoning violations. The meetings also allow for the collection of valuable feedback on the program and solicit volunteers for assistance projects. Volunteers continue to contribute many hours to neighborhood clean-up activities as well as assistance projects ranging from yard maintenance and clean-up to building wheelchair ramps and house painting for low-income and senior citizens.

Supervision of volunteers on weekends requires a substantial number of staff work hours outside the normal five-day schedule. The courts' assignment of some Community Corrections Program participants to perform community service also contributes additional hours to the community maintenance programs.

The Community Maintenance Division of the Department of Community Revitalization will continue to work closely with Building Inspections' Existing Structures Division as they provide certain community maintenance services related to violations to the building codes in existing structures and ordinances on graffiti. Historical expenses in both areas are depicted below:

Total Community Maintenance Costs:
A Historical Overview

FY	Building Inspections	Planning/ Community Revitalization ⁽¹⁾	Total
1996-97	\$ 557,933	\$ -	\$ 557,933
1997-98	240,125	688,013	928,138
1998-99	329,013	647,890	976,903
1999-00	287,491	882,939	1,170,430
2000-01	258,960	887,237	1,146,197
2001-02	241,558	796,459	1,038,017
2002-03	355,305	1,138,251	1,493,556
2003-04	259,883	905,153	1,165,036
2004-05	330,181	1,355,979 ⁽¹⁾	1,686,160
2005-06	327,738	1,302,406	1,630,144
2006-07	329,687	1,408,457	1,738,144
2007-08	280,159	1,487,106	1,767,265
2008-09	399,340	1,773,295	2,172,635
2009-10	412,545	1,763,516	2,176,061
2010-11 ⁽²⁾	360,529	1,576,211	1,936,740
2011-12 ⁽³⁾	369,130	1,534,445	1,903,575

⁽¹⁾ Planning's Community Maintenance budget became Community Revitalization beginning with FY2004-05.

⁽²⁾ Approved for FY2010-11.

⁽³⁾ Approved for FY2011-12.

AGRICULTURE AND HOME EXTENSION

Description

Through a cooperative agreement between Henrico County, Virginia Cooperative Extension, and the United States Department of Agriculture, the Extension Office provides County residents with educational programs pertaining to Agriculture and Natural Resources, Family and Consumer Services, and 4-H Youth Development. These services are provided through many diverse methods, including special interest programs, newsletters, workshops, clinics, individual contacts, mass media, organized clubs, and a diverse volunteer network.

Objectives

- To provide the citizens of Henrico County with informal educational programs in Agriculture and Natural Resources, Family and Consumer Services, and 4-H Youth Development.
- To provide research-based counsel to citizens in response to inquiries.
- To proactively offer programs, seminars, and workshops to provide Henrico citizens with needed information.
- To expand services to clientele through the extensive use of trained volunteers.

Budget Highlights

The Agriculture and Home Extension approved budget for FY2011-12 continues to reflect only Henrico County's contribution to the Department's annual expenses. The personnel complement includes three positions: two support staff positions and one Extension Agent. The other four Extension Agent positions are paid directly by Virginia Tech. The State currently funds one-half of the salary and benefits of the Extension Agent position that remains in the County's personnel complement; these funds are not included in this budget. The budget includes County funding for the other half of this position, as well as funding for the two support staff positions. Within the operating portion of the Extension Office budget, there is funding for the four Extension Agents who are paid directly by Virginia Tech. Henrico County reimburses Virginia Tech for 100.0 percent of the salary and benefits costs of two positions, and 50.0 percent of the salary and benefits costs of the other two positions.

The Department receives donations and collects program fees primarily for use in the Master Gardener, 4-H, and Family and Consumer Sciences programs. These funds are not reflected in this budget, though they are appropriated through the budget amendment process during the fiscal year. Current service levels on some activities are being reached with the use of dedicated volunteers. These volunteers allow the office to provide services to citizens that would otherwise not be available.

Annual Fiscal Plan

Description	FY10 Actual	FY11 Original	FY12 Approved	Change 11 to 12
Personnel	\$ 126,590	\$ 145,960	\$ 148,050	1.4%
Operation	197,327	204,146	203,546	(0.3%)
Capital	0	0	0	0.0%
Total	<u>323,917</u>	<u>350,106</u>	<u>351,596</u>	<u>0.4%</u>
Personnel Complement	3	3	3	0

Agriculture & Home Extension (cont'd)

Performance Measures				
	FY10	FY11	FY12	Change 11 to 12
Workload Measures				
Citizens Assisted	32,098	32,630	32,600	(30)
Programs Presented	278	322	420	98
4-H Youth Enrolled	1,315	1,700	1,800	100
Samples Analyzed and Identified	1,060	1,300	1,025	(275)
Efficiency Measures				
Volunteer Hours Supporting Programs	18,597	19,140	20,300	1,160

While all program areas benefit from volunteer involvement, it is the 4-H and Master Gardener programs that benefit the most. Whether it is the planning, implementation, evaluation, or resource development phase, volunteers are involved at all levels of the educational programming process. Some volunteers also serve as recruiters and trainers of new volunteers.

With leadership being provided by the 4-H Leaders' Association, there are a wide variety of volunteer opportunities within the 4-H program. Some volunteers serve as judges and coordinators for various contests held throughout the year at the County, District, and State levels, while others choose to serve as counselors for camps and conferences held at either the Jamestown 4-H Center or on the campus of Virginia Tech. Still, some choose to serve as club leaders working throughout the year with youth groups that range in size from six to over thirty members. Many of the 4-H program offerings would not be possible without the assistance provided by the volunteers working with local programs. As a group, they have won numerous awards recognizing them for their accomplishments and service to their community.

In 2010, Henrico Master Gardeners contributed a total of 11,946 hours to the Environmental Horticulture program and made 12,948 citizen contacts. They assisted residents who called the Horticulture Helpline or visited one of the Extension Office's Plant Clinics or Gardening Answers booths. They presented valuable information to community groups via the Master Gardener Speakers' Bureau and taught weekly lessons to elementary school-aged children enrolled in the Junior Master Gardener program. Their many and varied activities are coordinated through the Henrico Master Gardener's Association.

The Agriculture and Home Extension approved budget of \$351,596 for FY2011-12 increased by 0.4 percent from the FY2010-11 approved budget. The personnel component of the budget is increasing by \$2,090, or 1.4 percent from the FY2010-11 approved budget. The operating component of the budget is decreasing by \$600, or 0.3 percent. Also, included in the operating component of the budget is the reimbursement to Virginia Tech for four Extension Agent salaries and benefits that remains flat in FY2011-12.

PERMIT CENTERS

Description

The Department of Community Development, better known as the Permit Centers, is a convenient “one-stop shop” for residents seeking community development services including permits and applications. The Department has two locations referred to as the Permit Center-East and the Permit Center-West. The Permit Center-East has been in service since 1989. The volume of customers the Permit Center-East serves has grown as awareness of the Center has increased. Due to the success of the eastern location, services were expanded to a western location, which began operations in April 2001. The Permit Centers are staffed by representatives from Building Inspections, Planning, Public Utilities, and Public Works.

- To provide information to the public concerning the requirements and regulations related to zoning and subdivisions of property, building construction, and other aspects of the development process.
- To assist the public with questions concerning the agendas and processes of the Planning Commission and Board of Zoning Appeals.
- To provide a streamlined development review process at a convenient, one-stop location.
- To accurately track, monitor, and administer the costs of providing these services in order to provide them in a cost efficient manner.

Objectives

- To consistently provide quality services to all citizens and customers in a professional, accurate, and efficient manner.
- To assist the public – including private citizens, builders, developers, and engineers – with their permitting and licensing needs.

Budget Highlights

The Permit Centers’ budget for FY2011-12 is \$804,742, which reflects a decrease of \$76,168, or 8.6 percent when compared to the FY2010-11 budget. The personnel component reflects a decrease of \$36,877, or 3.5 percent due to the

Annual Fiscal Plan

Description	FY10 Actual	FY11 Original	FY12 Approved	Change 11 to 12
Personnel	\$ 1,005,725	\$ 1,066,625	\$ 1,029,748	(3.5 %)
Operation	53,824	61,362	54,540	(11.1 %)
Capital	950	2,500	0	(100.0 %)
Sub-Total	<u>\$ 1,060,499</u>	<u>\$ 1,130,487</u>	<u>\$ 1,084,288</u>	<u>(4.1 %)</u>
Interdepartmental Billings	(194,143)	(249,577)	(279,546)	12.0 %
Total Budget	<u>866,356</u>	<u>880,910</u>	<u>804,742</u>	<u>(8.6 %)</u>
Personnel Complement*	18	18	17	(1)

*One vacant position will be moved to the County's hold complement in FY2011-12.

Permit Centers (cont'd)

	Performance Measures			
	FY10	FY11	FY12	Change 11 to 12
Workload Measures				
Total Number of Inquiries	14,072	13,203	13,467	264
Permit Applications Received	4,225	4,675	4,768	93
Reviews Performed	7,156	7,435	7,583	148
Permits Issued	4,035	4,587	4,678	91
Business Licenses Reviewed	2,994	3,563	3,634	71

moving of one vacant position to the County's hold complement. Operating costs for both Centers will decrease \$6,822 in FY2011-12. There is no capital outlay budgeted for FY2011-12.

The one-stop convenience at both the East and West locations simplifies the process for obtaining permits for the customer and improves overall service levels. Services provided include the processing of building permits and answering inquiries regarding code regulations, zoning, water/sewer availability, as well as road and drainage issues. Staff is utilized from Building Inspections, Public Works, Public Utilities, and Planning. Funds to pay for staff serving these functions are in the Permits Centers' budget and complement. Five staff members have their personnel expenditures reimbursed, via interdepartmental transfer, by the appropriate department related to the services furnished. Those reimbursements for FY2011-12 are from Public Works for one Engineering Aide III and one Engineering Technician and Public Utilities for two Engineering Technicians at the West Center and one

Engineering Technician at the East Center. The sum of these reimbursements, totaling \$279,546, is shown as a negative amount in the Permit Centers' budget.

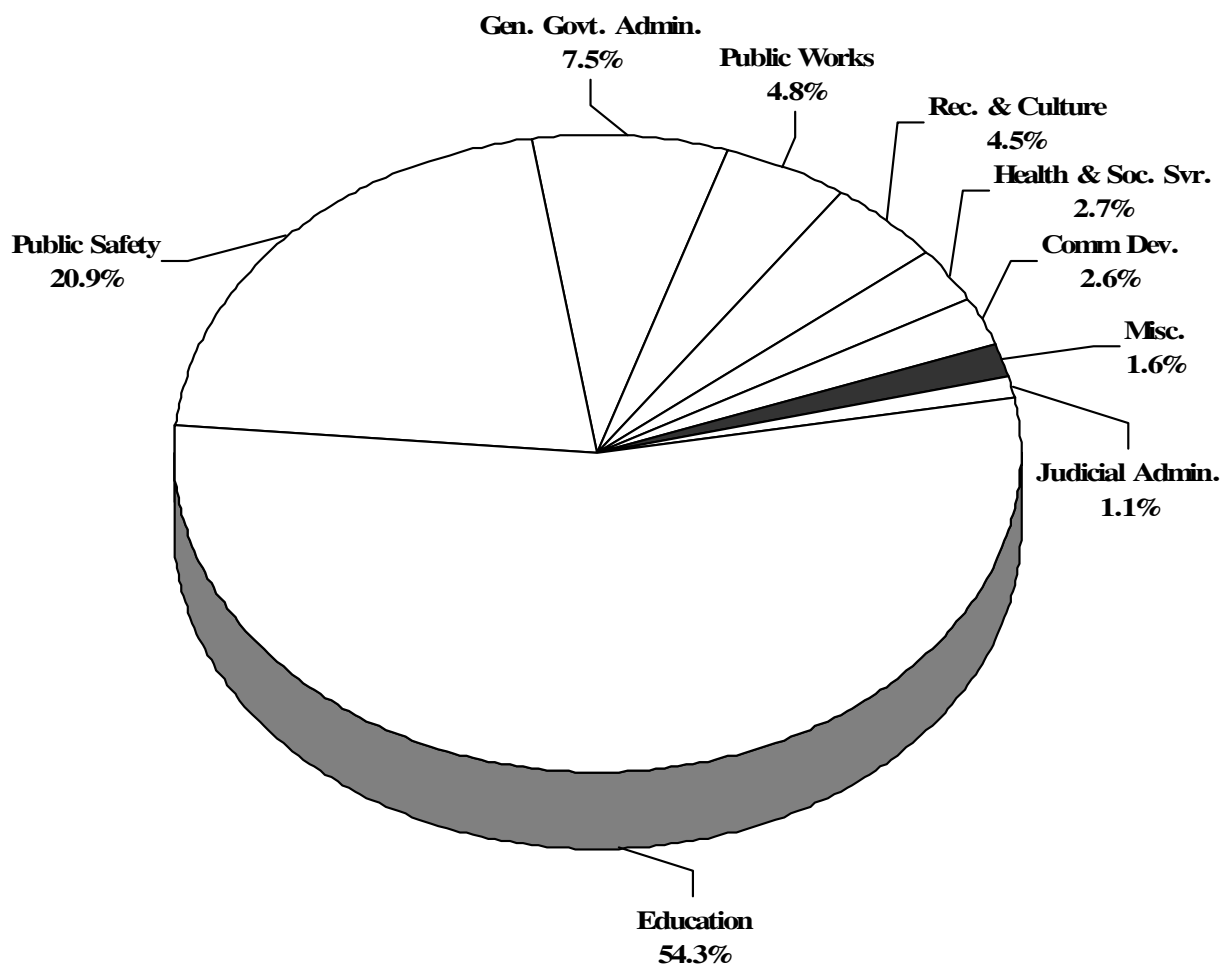
The Permit Centers were designed to make it more convenient to process and approve a permit at a central location. Technology was one of the driving forces to accomplish this process through the use of the Geographic Information System (GIS) and the Tidemark software system. Now, when a resident or builder enters the Permit Centers, they can leave with an approved permit for additions, decks, and accessory structures in one hour or less.

The Permit Centers were also designed to make it more convenient for customers to view and purchase copies of County maps at the public map section. There continues to be positive feedback from customers who can now be in and out of the center within fifteen minutes with copies of maps in their possession.

COUNTY OF HENRICO, VIRGINIA

Miscellaneous

\$12,018,323



Total General Fund

\$743,661,366

**COUNTY OF HENRICO, VIRGINIA
MISCELLANEOUS - GENERAL FUND
FY 2011-12**

<u>Department</u>	<u>FY 09-10 Actual</u>	<u>FY 10-11 Original</u>	<u>FY 11-12 Approved</u>
Non-Departmental			
Tax Relief Program	\$9,018,152	\$7,647,550	\$7,647,550
Payments to Outside Agencies	3,515,894	3,140,075	2,579,882
Reserve - Miscellaneous	0	1,690,857	1,741,366
Other	46,426	35,525	35,525
Sandston Recreation Center	12,661	14,000	14,000
Total Miscellaneous	<u>\$12,593,133</u>	<u>\$12,528,007</u>	<u>\$12,018,323</u>

NON-DEPARTMENTAL

County Supported Activities

Description

Certain General Fund functions which cannot logically be categorized with any of the established departments are included within this Non-Departmental category. These functions are largely comprised of funding for community organizations and the County's Real Estate Advantage (Tax Relief) Program.

Objectives

- To cover the funding requirements of a number of approved regionally or jointly supported outside agencies.
- To provide funding for the County's Real Estate Advantage Program (REAP), which provides tax relief for elderly and handicapped citizens.
- To provide funding to a number of approved not-for-profit agencies that provide needed and useful services to residents of Henrico County.
- To provide funding for payments to County Board members who serve on certain Boards and Commissions.

Budget Highlights

The number of requests from organizations in the private sector for contributions from the County continues to increase, as does the amounts requested. The FY2011-12 budget has attempted to strike a balance between these requests and available resources.

In addition to the funding for outside agencies shown in this budget, contributions are made to other agencies in the Schools' budget, including: Partners in the Arts; Richmond Symphony; Valentine Museum; Virginia Historical Society; and The American Civil War Center at Tredegar.

The County's contributions to the Greater Richmond Partnerships, Inc., for \$370,000; the Richmond Metropolitan Convention and Visitor's Bureau for \$1,750,847; and the Virginia High Speed Rail Development Committee, for \$10,000, are budgeted in the County's Economic Development budget.

The cost of the County's Real Estate Tax Advantage Program (REAP) is also budgeted in the non-departmental area. The program has been tremendously successful in providing real estate tax relief to the County's elderly and disabled citizens.

Description	Annual Fiscal Plan			Change 11 to 12
	FY10 Actual	FY11 Original	FY12 Approved	
Tax Relief Programs	\$ 9,018,152	\$ 7,647,550	\$ 7,647,550	0.0%
Board Members (1)	32,295	35,525	35,525	0.0%
Donations to Agencies	2,317,326	2,118,430	1,705,721	(19.5%)
Share of Other Agencies	1,212,699	1,021,645	775,087	(24.1%)
Reserve for Contingences	0	1,690,857	1,840,440	8.8%
Total (2)	<u>\$ 12,580,472</u>	<u>\$ 12,514,007</u>	<u>\$ 12,004,323</u>	<u>(4.1%)</u>

Personnel Complement

N/A

N/A

N/A

(1) Capital Region Airport commission and Richmond Regional Planning District Commission.

(2) Not including Sandston Community House.

Non-Departmental - County Supported Activities (cont'd)

Details of Activities

	FY 09-10 Actual	FY 10-11 Original	FY 11-12 Approved
A. County Functions:			
1. Tax Relief Programs	\$ 9,018,152	\$ 7,647,550	\$ 7,647,550
B. Board Members for:			
1. Capital Region Airport Commission	12,918	12,918	12,918
2. Richmond Regional Plan. Dist. Comm.	19,377	22,607	22,607
Sub-Total	32,295	35,525	35,525
C. Donations to:			
1. American Red Cross - Greater Richmond	0	0	0
2. Arts and Cultural Funding Consortium ⁽¹⁾	56,230	50,600	45,540
3. Asian American Society of Virginia	9,360	8,425	7,580
4. Assoc. for the Preservation of Henrico Antiquities	18,000	16,200	14,580
5. Better Housing Coalition	45,000	40,500	36,450
6. CARITAS (operating)	45,000	40,500	36,450
7. CASA (Court Appointed Special Advocates)	5,200	4,680	4,210
8. Central Virginia Legal Aid Society	0	0	0
9. Children's Hospital	1,800	1,620	1,460
10. Chinese-American Festival ⁽²⁾	0	0	0
11. Cultural Arts Center at Glen Allen	685,125	616,600	554,940
12. Daily Planet	0	0	0
13. FeedMore (Meals on Wheels, Cent. Va. Foodbank)	26,000	23,400	21,060
14. FISH (Eastern Henrico County)	36,000	32,400	29,160
15. Freedom House	0	0	0
16. Ginter (Lewis) Botanical Garden	135,000	121,500	109,350
17. The Healing Place	0	0	0
18. Henrico Community Partners	5,000	3,000	2,700
19. Henrico Police Athletic League	27,000	24,300	21,870
20. Henricus Foundation (Capital)	240,000	228,000	125,000
21. Henricus Foundation (Operating)	202,450	192,350	207,700
22. Hilliard House	56,700	51,030	45,930
23. Homeward	14,080	12,675	11,410
24. Horses in Service Riding Center	9,000	8,100	7,290
25. Housing Opportunities Made Equal (H.O.M.E.)	0	0	0
26. James River Advisory Council	10,000	9,000	4,500
27. Jamestown 4-H Education Center	0	0	0
28. Leadership Metro Richmond	13,500	12,150	10,930
29. Legal Aid Justice Center	0	0	0
30. Maymont Foundation Nature Center	93,750	84,375	75,940
31. Mill House, The (Community Futures Foundation)	23,625	21,260	19,130
32. Offender Aid and Restoration (OAR) Center	0	0	0
33. Read Center, The	22,500	20,250	18,230
34. Resources for Independent Living ⁽³⁾	49,600	44,640	40,180
35. Richmond Area ARC (Camp Baker)	9,000	8,100	7,290
36. Richmond Council NLUS (Navy League) ⁽⁴⁾	0	0	0
37. Richmond Forum	4,500	4,050	3,640
38. Safe Harbor	23,450	21,100	18,990
39. Salvation Army	21,250	19,125	17,210
40. Greater Richmond SCAN (Stop Child Abuse Now)	4,725	4,250	3,820
41. Science Museum of Virginia	70,000	70,000	63,000
42. Science Museum of Virginia (Va. Aviation Museum)	10,000	10,000	10,000
43. Senior Connections (CAAA)	48,475	43,625	39,260

Non-Departmental - County Supported Activities (cont'd)

	FY 09-10 Actual	FY 10-11 Original	FY 11-12 Approved
44. SPARC (School for the Performing Arts)	0	0	0
45. Sports Backers (Metropolitan Richmond)	28,350	25,500	22,950
46. St. Joseph's Villa (Flagler Home)	46,875	42,190	37,971
47. VCU - Monroe Campus ⁽⁵⁾	200,000	200,000	0
48. Virginia Hispanic Chamber of Commerce	8,900	8,000	7,200
49. Virginia Performing Arts Foundation (Center Stage) ⁽⁶⁾	0	0	0
50. Virginia State University	0	0	0
51. Virginia Supportive Housing	0	0	0
52. YWCA	28,150	25,335	22,800
53. Youth Life Foundation	0	0	0
Sub-Total	2,333,595	2,148,830	1,705,721
D. Henrico's Share of Funding for:			
1. GRTC Taxicab Service Program	9,000	9,000	9,000
2. Henricopolis Soil/Water Conservation	85,284	85,284	85,000
3. Maggie Walker H.S. Renovation Foundation ⁽⁷⁾	173,310	173,310	0
4. Med-Flight Program	49,600	49,600	49,600
5. National Association of Counties	5,218	5,800	5,800
6. Reynolds Community College (Oper.)	87,309	87,438	72,144
7. Reynolds Community College (Capital)	271,056	262,713	223,977
8. Richmond Regional Plan. Dist. Comm.	175,060	168,488	179,954
9. RMA/Diamond Stadium ⁽⁸⁾	170,000	0	0
10. Virginia Association of Counties	64,189	65,026	65,026
11. Alliance for Innovation (Virginia Innovation Group)	7,500	7,500	7,500
12. Virginia Institute of Government	15,000	15,000	15,000
13. Virginia Municipal League	61,273	62,086	62,086
14. Other Civic & Cultural Organizations ⁽⁹⁾	22,631	0	0
Sub-Total	1,196,430	991,245	775,087
E. Reserve for Travel:	0	425,211	425,211
Reserve for Tuition:	0	143,473	143,473
Reserve for Contingencies:	0	1,122,173	1,271,756
Sub-Total	0	1,690,857	1,840,440
Total	\$ 12,580,472	\$ 12,514,007	\$ 12,004,323

Notes:

- ⁽¹⁾ The Arts & Cultural Funding Consortium includes:
- a. Barksdale Theater
 - b. Black History Museum and Cultural Center
 - c. Children's Museum of Richmond (Operating)
 - d. CultureWorks (The Arts Council of Richmond)
 - e. Edgar Allen Poe Museum
 - f. Elegba Folklore Society
 - g. New Virginia Review
 - h. Richmond Ballet (Operating)
 - i. Richmond Jazz Society
 - j. Richmond Symphony (Operating)
 - k. Theatre IV
 - l. Valentine Museum (Richmond History Center)
 - m. Virginia Historical Society
 - n. Virginia Opera (Operating)
 - o. Visual Arts Center of Richmond

The Arts & Cultural Funding Consortium did not budget contributions to Annual Members for FY2010-11 due to funding constraints for the full members listed above.

Non-Departmental - County Supported Activities (cont'd)

- (2) Funding of \$10,000 was provided for the Chinese-American Festival through budget transfers in FY2006-07, FY2007-08, and FY2008-09.
- (3) Resources for Independent Living was previously named Central Virginia Independent Living Inc.
- (4) Richmond Council NLUS (Navy League) received \$5,000 from Henrico in FY2004-05, \$4,500 in FY2005-06, \$4,725 in FY2006-07, and \$5,000 in FY2007-08.
- (5) FY2010-11 was the final year of a five year \$1,000,000 request to Henrico County for the VCU - Monroe Park Campus. Funds were split evenly between the School of Engineering and the School of Business.
- (6) Center Stage Foundation, formerly the Virginia Performing Arts Foundation, received \$100,000 per year from Henrico in FY2002-03, FY2003-04 and FY2004-05.
- (7) FY10-11 was the final year of a ten year commitment to the Maggie Walker H.S. Foundation, for costs associated with the renovation of the building.
- (8) Funding of \$170,000 for the County's share of maintenance and repair costs at the Diamond, in accordance with the agreement of the members of the Richmond Metropolitan Authority, was appropriated via budget amendment in September of 2009.

(9) Other Civic & Cultural Organizations:

	<u>FY 09-10</u>
a. Colonial Athletic Association	\$ 7,500
b. 2011 Commemoration Commission	14,131
c. Hope in the Cities	<u>1,000</u>
Total Other	\$ 22,631

Note: Budgeted in Economic Development:

	<u>FY 11-12</u>
Greater Richmond Partnership	\$ 370,000
Richmond Metropolitan Convention & Visitors Bureau (RMCVB)	1,750,847
Virginia High Speed Rail Development Committee	<u>10,000</u>

NON-DEPARTMENTAL

Sandston Recreation Center

Description

The Sandston Recreation Center provides a facility for indoor recreation for the Sandston community. Funding is provided through a charge of \$.50 each month on all water bills within Sanitary District Two. The center also receives funds in addition to those included in the County budget from rental fees and donations from users and community organizations.

Budget Highlights

There are no changes in service levels for FY2011-12. Funds are used for utilities, maintenance, and repairs of the facility.

Objectives

- To provide meeting and recreational opportunities for the Sandston community.
- To provide space to community organizations for meetings and public activities.

Annual Fiscal Plan

Description	FY10 Actual	FY11 Original	FY12 Approved	Change 11 to 12
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	12,661	14,000	14,000	0.0%
Capital	0	0	0	0.0%
Total	<u>\$ 12,661</u>	<u>\$ 14,000</u>	<u>\$ 14,000</u>	<u>0.0%</u>
Personnel Complement	N/A	N/A	N/A	

CAPITAL IMPROVEMENT TRANSFERS

Description

A capital improvement is an item for which the purchase, construction, or other acquisition, such as land and/or equipment, will represent a public betterment to the community and add to the total physical worth of the County.

Budget Highlights

Within the Approved Capital Budget for FY2011-12 are general government and education projects to be funded from various General Fund revenues. This will be accomplished through a transfer from the General Fund to the Capital Projects Fund in the amount of \$5,850,000.

Annual Fiscal Plan

<u>Description</u>	<u>FY10 Actual</u>	<u>FY11 Original</u>	<u>FY12 Approved</u>	<u>Change 11 to 12</u>
Transfer to Capital Projects	\$ 21,069,798	\$ 9,415,242	\$ 5,850,000	(37.9%)

Capital Improvement Transfers (cont'd)

GENERAL FUND TRANSFERS

General Fund - Fund Balance:	<u>FY2011-12</u>
Schools Mechanical Improvements	\$2,000,000
Schools Roof Replacement	500,000
Building Maintenance Area Safety Improvements	175,000
Pavement Rehabilitation	200,000
Card Access System - Panel Upgrade	164,000
Facility Rehabilitation	311,000
Geographic Information System	150,000
Information Technology Projects	750,000
Network/VOIP	750,000
Subtotal General Fund - Fund Balance:	<u>\$5,000,000</u>
General Fund Revenue (Motor Vehicle License Fee) - Public Works:	
General Road Construction	\$800,000
New Guardrails	50,000
Subtotal General Fund Revenue - Public Works:	<u>\$850,000</u>
Total General Fund Transfer	<u><u>\$5,850,000</u></u>



SPECIAL REVENUE FUND

COUNTY OF HENRICO, VIRGINIA
APPROVED SPECIAL REVENUE FUND REVENUES
FY 2011-12

Revenues: Subfund/Activity	FY 09-10 Actual	FY 10-11 Original	FY 11-12 Approved
Capital Region Workforce Consortium (CRWC)			
CRWC	\$2,143,834	\$4,261,206	\$4,742,226
City of Richmond WIA Fund	1,333,571	0	0
ARRA - CRWC	2,536,910	0	0
Transfer From the General Fund	210,648	210,648	217,695
Total Capital Region Workforce Consortium	6,224,963	4,471,854	4,959,921
Circuit Court Clerk	17,376	0	0
Commonwealth's Attorney			
Special Drug Prosecutor	119,439	124,305	119,400
Victim/Witness Assistance Program	352,580	342,625	342,625
Asset Forfeitures	4,422	0	0
Transfer From the General Fund	370,582	387,663	396,249
Total Commonwealth's Attorney	847,023	854,593	858,274
Community Corrections Program			
CCP	1,413,280	1,434,323	1,510,737
ARRA - CCP	17,418	0	0
Transfer From the General Fund	295,056	298,544	304,419
Total Community Corrections	1,725,754	1,732,867	1,815,156
Community Development Block Grant			
CDBG/HOME	2,548,319	0	0
ARRA - CDBG and Community Revitalization	706,897	0	0
Total Community Development Block Grant	3,255,216	0	0
Economic Development			
Sales Tax - EDA	1,420,776	0	0
Real Estate Tax - CDA	1,433,710	0	0
Special Assessment - CDA	182,500	0	0
Personal Property Tax - EDA	625,968	0	0
Business License Tax - EDA	390,815	0	0
Transfer to - Short Pump CDA	0	0	0
(To) From Economic Development Fund Balance	(1,010,769)	0	0
Total Economic Development	3,043,000	0	0
Education			
State, Federal & Other Grants	29,952,015	37,394,518	42,857,611
ARRA - Schools	1,826,983	0	0

Special Revenue Fund Revenues (cont'd)

Revenues: Subfund/Activity	FY 09-10 Actual	FY 10-11 Original	FY 11-12 Approved
Cafeteria Receipts	8,854,628	9,732,983	9,987,040
State Food Payments - Nat. Sch. Lunch Prog.	338,721	366,410	432,535
Federal School Lunch Program	6,447,067	8,538,892	8,549,997
Federal School Breakfast Program	1,839,966	0	0
Recoveries & Rebates	135,332	46,990	124,945
(To) From Cafeteria Fund Balance	(949,704)	(431,459)	(600,000)
Total School Cafeteria	<u>16,666,010</u>	<u>18,253,816</u>	<u>18,494,517</u>
Total Education	48,445,008	55,648,334	61,352,128
 General Services	 38,408	 0	 0
 Juvenile & Domestic Relations Court	 	 	
Virginia Juvenile Community Crime Act	483,083	409,027	338,848
USDA	30,655	30,429	27,500
Juvenile Accountability Grant	45,702	0	0
Transfer From the General Fund	482,486	543,363	546,544
Total Juvenile & Domestic Relations Court	<u>1,041,926</u>	<u>982,819</u>	<u>912,892</u>
 Mental Health & Developmental Services	 	 	
State and Federal Grants	8,737,037	7,924,548	8,231,387
Payments from Other Localities	208,305	187,474	208,305
Miscellaneous Revenues	8,957,312	9,330,127	9,568,524
Transfer From General Fund	12,074,954	14,572,670	14,434,355
ARRA - MH & DS	215,786	0	0
Total Mental Health	<u>30,193,394</u>	<u>32,014,819</u>	<u>32,442,571</u>
 Non-Departmental	 	 	
Transfer From General Fund	0	100,201	100,201
 Public Safety	 	 	
Police - State & Federal Grants	1,580,450	960,796	962,180
Police - ARRA	210,385	0	0
Police - Donations	4,652	0	0
Metro Aviation/Extradition Reimbursement	264,086	326,126	326,126
Fire - Local Miscellaneous	24,166	0	0
Fire - State	44,575	0	0
Fire - Homeland Security	148,947	0	0
Asset Forfeitures	203,599	0	0
Transfer to Capital Projects	(253,700)	0	0
Transfer from Special Revenue Fund - Wireless Fund Balance	253,700	0	0
Transfer From General Fund	97,445	135,561	135,561
Total Public Safety	<u>2,578,305</u>	<u>1,422,483</u>	<u>1,423,867</u>

Special Revenue Fund Revenues (cont'd)

Revenues:	FY 09-10	FY 10-11	FY 11-12
Subfund/Activity	Actual	Original	Approved
Public Utilities			
Solid Waste:			
Refuse Collection Billing	6,801,113	6,660,000	7,000,000
Weighing Fees - Charged Sales	1,117,549	1,371,845	1,117,548
Public Use/Host/Recycle Fees	1,895,695	1,670,840	1,712,381
Miscellaneous Revenues	1,878,043	153,016	293,823
Transfer to Capital Projects Fund	(3,600,000)	0	(1,450,000)
Transfer From General Fund	2,873,641	3,064,001	3,064,001
(To) From Solid Waste Fund Balance	(8,981)	(753,090)	529,349
Total Solid Waste	<u>10,957,060</u>	<u>12,166,612</u>	<u>12,267,102</u>
Street Lighting:			
Charge for Street Lights	66,179	72,500	72,500
(To) From Reserve for Street Lights	<u>0</u>	<u>0</u>	<u>0</u>
Total Street Lighting	<u>66,179</u>	<u>72,500</u>	<u>72,500</u>
Public Works			
Best Management Practices	0	50,000	50,000
Watershed Management Program	153,091	847,000	847,000
Miscellaneous Grants	<u>0</u>	<u>0</u>	<u>0</u>
Total Public Works	<u>153,091</u>	<u>897,000</u>	<u>897,000</u>
Recreation, Parks & Culture			
Recreation	5,778	0	0
Public Library	<u>61,278</u>	<u>0</u>	<u>0</u>
Total Recreation	<u>67,056</u>	<u>0</u>	<u>0</u>
Social Services			
Comprehensive Services Act (CSA)	4,487,967	4,875,532	4,698,050
Title IV-E	0	44,812	44,812
Transfer From the General Fund	<u>2,740,530</u>	<u>4,049,121</u>	<u>4,053,920</u>
Total Social Services	<u>7,228,497</u>	<u>8,969,465</u>	<u>8,796,782</u>
Total Revenues	<u><u>\$115,882,256</u></u>	<u><u>\$119,333,547</u></u>	<u><u>\$125,898,394</u></u>

COUNTY OF HENRICO, VIRGINIA
APPROVED SPECIAL REVENUE FUND EXPENDITURES
FY 2011-12

Expenditures:	FY 09-10	FY 10-11	FY 11-12
Subfund/Activity	Actual	Original	Approved
Capital Region Workforce Consortium (CRWC)	\$2,354,482	\$4,471,854	\$4,959,921
City of Richmond WIA Fund	1,333,571	0	0
ARRA - CRWC	<u>2,536,910</u>	<u>0</u>	<u>0</u>
Total CRWC	\$6,224,963	\$4,471,854	\$4,959,921
 Circuit Court Clerk	 \$17,376	 \$0	 \$0
 Commonwealth's Attorney			
Victim/Witness Program	660,998	677,433	669,311
Special Drug Prosecutor	181,603	177,160	188,963
Asset Forfeitures - Commonwealth's Attorney	<u>4,422</u>	<u>0</u>	<u>0</u>
Total Commonwealth's Attorney	847,023	854,593	858,274
 Community Corrections Program	 1,708,336	 1,732,867	 1,815,156
ARRA - CCP	<u>17,418</u>	<u>0</u>	<u>0</u>
Total Community Corrections Program	1,725,754	1,732,867	1,815,156
 Community Revitalization - CDBG/HOME	 2,548,319	 0	 0
ARRA - CDBG and Community Revitalization	<u>706,897</u>	<u>0</u>	<u>0</u>
Total CDBG/HOME	3,255,216	0	0
 Economic Development			
White Oak Village CDA	2,736,000	0	0
Reynolds Crossing CDA	<u>307,000</u>	<u>0</u>	<u>0</u>
Total Economic Development	3,043,000	0	0
 Education			
State, Federal & Other Grants	29,952,015	37,394,518	42,857,611
ARRA - Education	1,826,983	0	0
School Cafeterias	<u>16,666,010</u>	<u>18,253,816</u>	<u>18,494,517</u>
Total Education	48,445,008	55,648,334	61,352,128
 General Services	 38,408	 0	 0
 Juvenile & Domestic Relations Court			
Probation - VJCCCA	637,673	617,331	550,941
Detention - VJCCCA	327,896	335,059	334,451
Juvenile Probation	45,702	0	0
USDA	<u>30,655</u>	<u>30,429</u>	<u>27,500</u>
Total Juvenile & Domestic Relations Court	1,041,926	982,819	912,892

Special Revenue Fund Expenditures (cont'd)

Expenditures: Subfund/Activity	FY 09-10 Actual	FY 10-11 Original	FY 11-12 Approved
Mental Health & Developmental Services			
Clinical Services	14,702,816	15,806,273	16,030,348
Community Support Services	9,279,771	9,709,926	9,902,729
Administrative and Program Support	5,995,021	6,498,620	6,509,494
ARRA - Mental Health	215,786	0	0
Total Mental Health	30,193,394	32,014,819	32,442,571
Non-Departmental	0	100,201	100,201
Public Safety			
State and Federal Grants - Police	913,962	0	0
ARRA - Police	210,385	0	0
Donations - Police	4,652	0	0
Communications	666,488	960,796	962,180
Metro Aviation	293,166	411,687	411,687
Henrico Extraditions	68,365	50,000	50,000
Asset Forfeitures - Police	203,599	0	0
State and Federal Grants - Fire	44,575	0	0
Donations - Fire	24,166	0	0
Homeland Security - Fire	148,947	0	0
Total Public Safety	2,578,305	1,422,483	1,423,867
Public Utilities			
Solid Waste	10,957,060	12,166,612	12,267,102
Street Lighting	66,179	72,500	72,500
Total Public Utilities	11,023,239	12,239,112	12,339,602
Public Works			
Best Management Practices	0	50,000	50,000
Watershed Program	153,091	847,000	847,000
Total Public Works	153,091	897,000	897,000
Recreation, Parks & Culture			
Recreation & Parks	5,778	0	0
Public Library	61,278	0	0
Total Recreation, Parks, & Culture	67,056	0	0
Social Services			
Comprehensive Services Act (CSA)	7,228,497	8,969,465	8,796,782
Total Expenditures	<u>\$115,882,256</u>	<u>\$119,333,547</u>	<u>\$125,898,394</u>

CAPITAL REGION WORKFORCE CONSORTIUM

Description

The Capital Region Workforce Consortium (CRWC), formally Capital Area Training Consortium (CATC), is an eight locality entity comprised of the chief elected official from Henrico, Chesterfield, Goochland, Hanover, Charles City, New Kent and Powhatan Counties and the City of Richmond or their designee. The County of Henrico serves as the fiscal agent and grant recipient for the Consortium. The Consortium, in partnership with the Capital Region Workforce Investment Board (now RESOURCE) it appoints, exists to ensure the full development and operation of the region's workforce development system as envisioned by RESOURCE and the Consortium. As part of its responsibilities it receives, manages, and disburses funds allocated to the region from the Workforce Investment Act of 1998, and other federal, state, and local grants and resources that become available to support the Capital Region's Strategic Plan as developed and approved by RESOURCE and the Consortium.

The Capital Region Workforce Consortium is the Henrico County Agency currently responsible for providing administrative support to RESOURCE

and the Consortium, and is directly responsible for managing contracts awarded by RESOURCE and the Consortium for delivery of Workforce Investment Act (WIA) services through Workforce Centers in the Region.

Objectives

- Provide Regional leadership to develop innovative strategies and partnerships to sustain workforce solutions.
- Address the primary obstacles to employment through the workforce system.
- Align workforce development sectors and resources to reduce redundancies, leverage resources, and increase efficiency and effectiveness in service delivery.
- Awareness of the workforce development system as the "go to place" for workforce solutions for both industry and job seekers.

Annual Fiscal Plan

Description	FY10 * Actual	FY11 Original	FY12 Approved	Change 11 to 12
Personnel	\$ 1,299,272	\$ 491,638	\$ 467,326	(4.9%)
Operation	4,854,837	3,980,216	4,492,595	12.9%
Capital	70,854	0	0	0.0%
Total	<u>\$ 6,224,963</u>	<u>\$ 4,471,854</u>	<u>\$ 4,959,921</u>	<u>10.9%</u>
Personnel Complement	N/A	N/A	N/A	N/A

*FY2009-10 actuals include American Recovery and Reinvestment Act (ARRA) funding of \$2,536,910

Capital Region Workforce Consortium (cont'd)

Performance Measures				
	FY10	FY11	FY12	Change 11 to 12
Workload Measures				
Universal Core Services	25,000	25,000	25,000	0
Applicants for WIA Services	2,000	1,500	1,500	0
Enrolled in WIA	600	1,000	1,000	0
Enrolled in Training	100	200	200	0
Enrolled in Job Search/Counseling	500	1,000	1,000	0
Entered Employment from WIA	500	400	400	0

Budget Highlights

The Workforce Investment Act (WIA) of 1998 is the principal funding source for the Capital Region and the FY2010-11 budget reflected the first full year of operation after the Capital Area Training Consortium's Service Delivery Division was eliminated. The Workforce Investment Act remains the primary funding source for RESOURCE and Consortium staff support costs and the Service Delivery system operating in the workforce centers. WIA funds are supplemented by various grants secured during the year that provide additional capability for the workforce development system and provide additional funds to support the efforts of the one-stop (workforce center) system.

RESOURCE is responsible for the administrative requirements imposed by various funding sources and implementation of policies, budgets, performance requirements, and other requirements imposed on the workforce development system by the Consortium, as well as the State of Virginia, Virginia Community College System (VCCS), and the U.S. Department of Labor. The staff assigned to support RESOURCE and the Consortium, is also responsible for supporting the work of the Capital Region Youth Council, mandated under the Workforce Investment Act.

The CATC One-Stop Services division was eliminated in July, 2010 and was replaced by the award of a contract to a for-profit entity that is now responsible for delivery of Title I services of the WIA for Adults and Dislocated Workers who meet the eligibility criteria to be supported by WIA funds. WIA services include case management, employment

assistance, responding to the needs of businesses for workers, publicizing the availability of skilled job-seekers to potential employers, providing access to training and paying training costs as appropriate, and developing opportunities for better earnings for the underemployed and economically disadvantaged. The contractor is also responsible for meeting the performance requirements imposed by the WIA and RESOURCE.

In the redesigned service delivery model being implemented in FY2011-12, the One Stop Operator will be comprised of a partnership among three mandated partner agencies, one of whom may be the fiscal agent that will be responsible for coordinating the work of all partner agencies in the delivery of services through the designated one-stop centers under the WIA, and other grants. In providing such services, the One Stop Operator will be responsible for working collaboratively with the other sixteen mandated partner programs to ensure that services and access to services is clearly defined and easily traversed by business and job seekers.

The approved FY2011-12 budget in the amount of \$4,959,921 reflects an overall increase of \$488,067 or a 10.9 percent increase from the approved FY2010-11 budget. Personnel costs decreased \$24,312 or 4.9 percent. This decrease is in direct relation to the reduction of salaries and associated benefits due to current vacancies within the department.

Operating expenses increased by \$512,379 or 12.9 percent from the approved FY2010-11 budget and no capital outlay funding is requested. The increase in

Capital Region Workforce Consortium cont'd

operating expenses is due to additional federal funding that was received after the budget was adopted for FY2010-11. It is projected this funding will also be allocated in FY2011-12. The additional funding is for the Workforce Investment Act and will be utilized for affected workers across the region.

The exact amount of WIA funding for the FY2011-12 budget year are unknown. Congressional changes and the continuing budget discussions at the federal level make it especially difficult to assess budgetary increases or decreases at this point. The Capital Region's unemployment rate has remained relatively constant which does not indicate any increase in the region's funding based on its unemployment rate but federal funding levels are anticipated to remain at current levels. The State of Virginia is experiencing slightly decreasing unemployment rates that may impact the level of funding Virginia is able to access through the WIA formula. The Capital Region's unemployment rate which normally hovered at or below 4.1 percent has exceeded and hovered around 7.2 percent. The unemployment rate coupled with the increasing poverty rates in the State and in the Capital Region creates the potential for funding increases. However, when the formula is applied to fewer national and state resources, the region's share may remain flat. WIA funding projected for FY2011-12 is approximately \$4.3 million.

The decisions made by RESOURCE and the Consortium Board during the first quarter of FY2011-12 will affect the expenditure projections included in the budget.

The budget does anticipate three new sites for workforce centers to replace those now operating in Henrico, Chesterfield, and the City of Richmond. The cost of the three facilities would be shared with the partners co-locating in each of the facilities and would be incorporated in various leases and agreements, and may be incorporated in the agreement with the One Stop Operator for all sites.

Revenue from local contributions outside of Henrico County is expected to total \$127,280 in FY2011-12. Henrico County's contribution to CRWC's administrative expenses is budgeted at \$217,695 for FY2011-12.

The following table shows historical contributions from Henrico County to CRWC's (previously CATC) administrative expenses:

Fiscal Year	Contribution	% Increase
FY2005-06	187,700	3.2%
FY2006-07	195,860	4.3%
FY2007-08	201,447	2.9%
FY2008-09	208,665	3.6%
FY2009-10	210,648	1.0%
FY2010-11	210,648	0.0%
FY2011-12	217,695	3.3%

The Chesterfield one-stop continues to receive rent from partners located in the facility, and the motel next to the Henrico Workforce Center is paying rent for parking spaces at the rear of the facility. The revenue generated from these sources provides some support. Revenue from rent has been budgeted at \$63,301 in FY2011-12, including \$7,007 from parking spaces at the rear of Henrico Workforce Center and \$56,294 from the renters of space at the Whitepine Road Location.

The FY2011-12 budget includes a grant reserve account. Once into FY2011-12, funds in the reserve will be transferred between programs/accounts as more specific and detailed information becomes available on specific grants that may be received.

It is important to note that the FY2009-10 actuals totaling \$6,224,963 includes \$2,536,910 in ARRA federal stimulus funding.

COMMONWEALTH'S ATTORNEY

Special Drug Prosecutor

Description

The Special Drug Prosecutor Program was established in Virginia in 1983 under Section 19.2-215.3 of the Code of Virginia. Henrico's Drug Prosecutor program was implemented in May of 1984. The goal is to investigate criminal violations of Virginia drug laws as well as other illegal activities, including homicide, abduction, perjury, embezzlement, and computer crimes.

Objectives

- Investigate and prosecute those involved in the illegal use or distribution of drugs, and drug paraphernalia.
- Provide assistance in any other provision of law when such condition is discovered in the course of an investigation, which a multi-jurisdiction drug prosecutor is otherwise authorized to undertake and to investigate any condition, which involves or tends to promote any attempt, solicitation or conspiracy to violate laws.
- Administer use of the grand jury by prosecutors from each of the member jurisdictions Commonwealth's Attorney's Offices.

Budget Highlights

The use of the Special Drug Prosecutor Program provides a vital function for the County of Henrico. The Program's approved budget for FY2011-12 is \$188,963, which includes General Fund support of \$69,563. The approved budget reflects an increase of 6.7 percent when compared to the FY2010-11 approved budget. The drivers behind this increase are salary adjustments related to career development and correspondingly higher costs for benefits. Personnel costs are increasing \$11,950 or 7.0 percent. The State and the County both contribute to the salaries and associated personnel costs for the two complement II positions funded through the program.

The Special Drug Prosecutor's responsibilities include working with a multi-jurisdictional investigative grand jury comprised of the Counties of Henrico, Hanover and Chesterfield, and the City of Richmond. The Special Drug Prosecutor coordinates witnesses and subpoenas for tangible evidence ordered by the grand jury and handles a full caseload of criminal matters. The multi-jurisdictional grand jury plays an essential role in the investigation of drug and homicide cases in the Richmond metropolitan area.

Annual Fiscal Plan

Description	FY10 Actual	FY11 Original	FY12 Approved	Change 11 to 12
Personnel	\$ 174,619	\$ 171,263	\$ 183,213	7.0%
Operation	6,577	5,897	5,750	(2.5%)
Capital	407	0	0	0.0%
Total	<u>\$ 181,603</u>	<u>\$ 177,160</u>	<u>\$ 188,963</u>	<u>6.7%</u>
Personnel Complement*	N/A	N/A	N/A	N/A

* Two complement II positions funded through this program are included in the Commonwealth's Attorney's General Fund complement.

Special Drug Prosecutor (cont'd)

Performance Measures				
	FY10	FY11	FY12	Change 11 to 12
Workload Measures				
Total Subpoenaes	2,585	2,650	2,700	50
Total Indictments	803	825	850	25
Total Defendants	352	360	375	15

The table below presents a historical depiction of the State/County split for the program.

Fiscal Year	State Funding	County Funding	% County
2003-04	107,487	32,321	23%
2004-05	107,487	38,308	26%
2005-06	101,383	36,947	27%
2006-07	105,767	38,545	27%
2007-08	121,594	32,539	21%
2008-09	130,357	34,166	21%
2009-10	119,439	62,164	34%
2010-11	124,305	52,855	30%
2011-12	119,400	69,563	37%

COMMONWEALTH'S ATTORNEY

Victim/Witness Assistance Program

Description

The Victim/Witness Assistance Program was established in Virginia in 1984 under Section 9-173.3 of the Code of Virginia. Henrico's Victim/Witness program was implemented in May of 1988. The goal is to assist crime victims and witnesses through the criminal justice system by providing the information and assistance required by the Crime Victim and Witness Rights Act 19.2 - 11.01. These services include; information about the victim/witness' case, explanation about court procedures, assistance in applying for Crime Victims' Compensation, assistance in preparing Victim Impact Statements and Parole Input Forms and short term crisis counseling.

- To increase victim cooperation and successful prosecution through providing the victim/witness more information on court room procedures and the criminal justice system.
- To provide victim/witness services in a cost-effective manner through the utilization and coordination of volunteer time and services.

Budget Highlights

The Victim/Witness Assistance Program continues to provide a vital function to the criminal justice systems in Henrico County. The approved budget of \$669,311 includes a General Fund transfer of \$326,686 to provide the estimated County match for the program cost. In FY2006-07, the State required a new 10.0 percent match from localities receiving the Victim/Witness Grant. This shift in cost is included in the FY2011-12 General Fund transfer mentioned above. The budget includes funding for nine full-time positions, six of which are complement III, two are complement II, and one complement I position, an Office Assistant IV. Also, the complement III, part-time Management Analyst I position was

Objectives

- To reduce delays in the court process by reducing the incidences of witness "no-show" through improved notification services.
- To reduce the trauma of crime for victims through crisis intervention and specialized counseling.
- To enable authorities to quickly establish and maintain contact with victims and witnesses.

Annual Fiscal Plan

Description	FY10 Actual	FY11 Original	FY12 Approved	Changes 11 to 12
Personnel	\$ 549,354	\$ 567,581	\$ 563,458	-0.7%
Operating	111,344	109,852	105,853	-3.6%
Capital	300	0	0	0.0%
Total	<u>\$ 660,998</u>	<u>\$ 677,433</u>	<u>\$ 669,311</u>	<u>-1.2%</u>
Personnel Complement*	N/A	N/A	N/A	N/A

*The Department has 6 complement III positions, 2 complement II positions and 1 complement I position. The complement I and II positions are reflected in the Commonwealth's Attorney's budget in the General Fund.

Victim/Witness Assistance Program (cont'd)

Performance Measures				
	FY10	FY11	FY12	Change 11 to 12
Workload Measures				
Victims Assisted	4,808	4,900	5,000	100

transitioned to a temporary salaried position for FY2011-12, reducing the Program's total number of positions from ten to nine.

The FY2011-12 approved budget reflects a decrease of \$8,122 or 1.2 percent from the FY2010-11 approved budget. Personnel costs are decreasing \$4,123, or 0.7 percent. The operating component of the budget is decreasing \$3,999, or 3.6 percent, due to applying a 2.5 percent global operating reduction, as well as a 25.0 percent reduction to technology replacement.

The FY2011-12 budget continues the 10.0 percent local match implemented by the Department of Criminal Justice Services in FY2006-07. This requires that localities contribute a 10.0 percent local match based on the total anticipated grant amount, and in effect is a cost shift to the locality. This local match totals \$34,263 in FY2011-12. The County's contribution is being reduced by 2.4 percent in FY2011-12 based on anticipated state/federal funding allocations and FY2011-12 operating budget levels.

The Program anticipates receiving \$342,625 from the state in FY2011-12. If the actual grant award is different from the proposed request, any necessary adjustments will be made via the amendment process.

The table below shows the funding splits in the budget for FY2011-12 and the past eight prior fiscal years.

Fiscal Year	State Funding	County Funding	% County
2003-04	318,628	103,662	25%
2004-05	339,662	124,287	27%
2005-06	341,757	135,218	28%
2006-07	330,275	281,146	46%
2007-08	355,151	263,483	43%
2008-09	327,496	325,160	50%
2009-10	352,580	308,418	47%
2010-11	342,625	334,808	49%
2011-12	342,625	326,686*	49%**
* County Funding includes 10% match/cost shift of \$34,263.			
**2.4% reduction in County contribution based on anticipated state funding levels and operating budget levels in FY2011-12.			

COMMUNITY CORRECTIONS PROGRAM

Pre-Trial and Post-Trial Program

Description

The purpose of the Henrico Community Corrections Program (CCP) is to provide the Henrico County Court System with alternatives to incarceration through a range of pre-trial and post-trial services for adults who require less than institutional custody. The program also reduces the commitment of nonviolent offenders to local jail facilities. Offenders participate in treatment services, receive intensive supervision, make restitution to their victims, and pay the County through performing a certain number of community service hours. Pretrial staff provides the court with risk assessments and bond recommendations on defendants in jail at arraignment, and also supervise defendants so ordered by the court as a condition of release pending trial. Henrico's Community Corrections Program has provided services to the courts since 1995, and through the old Community Diversion Incentive (CDI) Program, since 1983.

This office is also responsible for the administration of the Drug Court Program, which is presented in this document as a separate budget for clarity in understanding its functions as well as its separate funding source.

Objectives

- To provide casework services and supervision to all clients throughout their court ordered participation.
- To coordinate the CCP program with the Police and Courts, and to conduct planning research and fund raising in developing partnerships for the Community Criminal Justice Board.
- To assign all clients, who are so directed to perform community service to public or private non-profit community agencies, which is to be verified by program staff.
- To recruit and recognize community service agencies, public and private, who serve as sites for clients.
- To monitor all clients for payment of court ordered costs and restitution to the courts and victims.
- To serve as a state pilot site for applying evidence based practices, including validated risk assessments and motivational interviewing.
- To provide a means of either pre-trial release to bail, unsecured release on recognizance, or release on secure bond.
- To provide supervision, substance testing and other services to defendants released from jail while awaiting trial.

Annual Fiscal Plan

Description	FY10** Actual	FY11 Original	FY12 Approved	Change 11 to 12
Personnel	\$ 1,221,761	\$ 1,248,229	\$ 1,331,299	6.7%
Operation	83,027	64,761	59,935	(7.5%)
Capital	13,523	12,174	12,174	0.0%
Total	<u>\$ 1,318,311</u>	<u>\$ 1,325,164</u>	<u>\$ 1,403,408</u>	<u>5.9%</u>
Personnel Complement*	1	1	1	0

*Twenty Complement III positions are also funded in this budget for FY2011-12.

**FY09-10 actuals include American Recovery and Reinvestment Act (ARRA) funding of \$17,418.

Community Corrections Program (cont'd)

Performance Measures				
	FY10	FY11	FY12	Change 11 to 12
Workload Measures				
New Pretrial Cases Supervised	1,369	1,450	1,450	0
New Probation Cases Supervised	2,004	1,950	1,900	(50)
Pretrial Investigations Conducted	2,169	2,300	2,300	0
Client Hours of Community Service Completed	27,348	27,500	27,500	0
New Restitution Cases Monitored	630	530	530	0
Effectiveness Measures				
Value of Restitution Collected	\$480,689	\$475,000	\$475,000	\$0

Budget Highlights

Community Corrections Program's budget includes four distinct programs for FY2011-12: (a) Pre-Trial Services; (b) Post-Trial Services; (c) Community Service Coordination; and (d) the Drug Court Program (The Drug Court Program is presented as a separate budget narrative). Pre-Trial and Post-Trial Services are principally funded by the State, with probation fees that are collected by the Agency also contributing to the funding of these services. The Community Services Coordination Program is locally funded through the County's General Fund contribution of \$137,023.

The total minimum value of community service hours completed by program clients in FY2010-11 is estimated to be valued at \$575,000. Of this value, it is estimated that close to half goes towards County agencies. The Restitution Monitoring Program (a Community Criminal Justice Board project) is designed to track payments made by offenders to victims and increase the payment amount collected.

The part-time temporary clerical position hired to monitor this program is partially funded by fees collected from offenders in the program.

The Community Corrections Program approved budget for FY2011-12 is \$1,403,408, which is a \$78,244 increase over the FY2010-11 approved budget.

The driver of this increase is personnel expenditures as they increased 6.7 percent. This is due to increased costs in healthcare expenditures, fully funding a vacant position and merit adjustments. It should be noted that personnel costs are 94.9 percent of total CCP expenditures. The operating component decreased \$4,826, with the capital outlay component of the Department's budget remaining \$12,174. The operating component of the budget decreased due to the county-wide adjustment of 2.5 percent and a decrease of \$2,902 in the Post-Trial cost center.

COMMUNITY CORRECTIONS PROGRAM

Drug Court Program

Description

The Drug Court Program, initiated in January of 2003, continues operations in FY2011-12. The Drug Court provides intense supervision and treatment, frequent judicial reviews, mandatory drug testing, graduated sanctions, aftercare, and other rehabilitative services to nonviolent, substance abusing offenders for a minimum of twelve months, with the average participation lasting eighteen months. There are up to forty new participants placed in the program each year that have their progress closely monitored and evaluated by program staff.

Working with other organizations and agencies is key to the success of the Drug Court. The program coordinates its efforts with other County agencies and nonprofit organizations in the region to help deliver the program's services. In addition, the Sheriff provides one part-time Investigator to the program as a local in-kind County contribution. The Commonwealth's Attorney's Office, the Henrico Mental Health and Developmental Services (MH/DS), the Circuit Court and the Community Corrections Program also provide local in-kind contributions to the program.

Objectives

- To reduce crime resulting from substance abusing offenders.

- To assist participants with finding gainful employment or increasing their educational achievements.
- To locate additional resources to contribute towards the support of the Drug Court Program in the future.
- To provide comprehensive treatment to substance abusing offenders.
- To administer, monitor, and evaluate the Drug Court Program for effectiveness and economic impact.

Budget Highlights

The Drug Court Program will complete its eighth year of operations in FY2010-11. Caseloads continue to increase as new cases are constantly added. The program was started with the use of Federal funding. However, Federal funding was discontinued as a funding source in FY2005-06. The Drug Court program for Henrico County received a grant from the State in the amount of \$232,261 in FY2005-06 to support the program and replace the discontinued Federal funding. It is anticipated that the Virginia State Supreme Court, who took over the administration of these grants from the

Annual Fiscal Plan

Description	FY10 Actual	FY11 Original	FY12 Approved	Change 11 to 12
Personnel	\$ 312,479	\$ 319,273	\$ 325,529	2.0%
Operation	90,238	88,430	86,219	(2.5%)
Capital	4,726	0	0	0.0%
Total	<u>\$ 407,443</u>	<u>\$ 407,703</u>	<u>\$ 411,748</u>	<u>1.0%</u>
Personnel Complement*	1	1	1	0

*Personnel Complement does not reflect 4 Complement III positions that are supported by this budget

Drug Court (cont'd)

	Performance Measures			
	FY10	FY11	FY12	Changes 11 to 12
Workload Measures				
Community Awareness Activities Conducted	21	19	19	0
Efficiency Measures				
% of Referrals Assessed on Time	100.0%	100.0%	100.0%	0.0%
Effectiveness Measures				
% of Participants Gainfully Employed/Schooled	92.0%	80.0%	80.0%	0.0%
% of Participants Staying Drug-Free	84.0%	72.0%	72.0%	0.0%
% of Participants Not Re-Arrested	95.0%	94.0%	94.0%	0.0%

Department of Criminal Justice Services, will provide funding of \$232,000 in FY2011-12. The Drug Court also collects probation fees to help defray the costs of the program and these fees are projected to total \$12,352 in FY2011-12. General Fund support will total \$167,396.

The Department's budget for FY2011-12 is \$411,748. This represents an increase of \$4,045 or 1.0 percent. Personnel costs increased by \$6,256 and are directly related to merit adjustments as well as rising health care costs. Operating expenses decreased \$2,211 or 2.5 percent due to County wide adjustments.

Currently, one Complement I position is funded for the Drug Court, a Senior Management Specialist. Four positions are Complement III, including one

County Probation Officer, one Office Assistant III, and two MH/DS Clinicians.

The Henrico Drug Court NACo Award winning "Healthy Lifestyles Initiative" provided assistance for participants to learn about primary health and financial wellness through seminars and guest speakers. Professionals with Virginia Commonwealth University Medical College of Virginia (MCV) conducted a seminar on stress management. MCV staff also spoke on the topic of sexually transmitted diseases (STD's) and the Fan Free Clinic provided quarterly rapid results of HIV testing at the Drug Court Office. Representatives with the Henrico Credit Union spoke with all participants on financial health and ways to improve their credit scores. A member of the Coleman Institute spoke with the participants on the importance of diet and nutrition for a healthy life, as well.

JUVENILE & DOMESTIC RELATIONS DISTRICT COURT

Probation-VJCCCA

Description

In 1996, funding through the Virginia Juvenile Community Crime Control Act (VJCCCA) replaced the State Block Grant system for all community based programs and services in the juvenile justice system except secure detention. Juvenile and Domestic Relations District Court Judges and Court Service Unit staff continue to utilize VJCCCA funding to provide an array of programs and services to juveniles and their families. This is accomplished by the use of private vendors, independent contractors, memoranda of agreement, and VJCCCA staff. The programs/services provided include intensive home based services, GPS electronic monitoring, a two-level larceny reduction program, anger management and parenting groups, psychological and substance abuse assessments, drug screens, day treatment and Project Fresh Start. VJCCCA funds continue to offer services that are accessible in a timely manner and provide much needed resources to the youth and their families before the Court. A major advantage of this funding continues to be the ability to develop programs and services that specifically address the juvenile justice needs of Henrico County.

Objectives

- To provide a continuum of service to the Court and Court Service Unit staff that best fit the needs of Henrico County.
- To continue to provide services to the Court and Court Service Unit staff that are easily accessible and available.
- To continue to provide services that promotes parental participation to assist juveniles and their families in making positive changes.
- To encourage a public/private partnership in the design and delivery of services.

Budget Highlights

The Juvenile Probation VJCCCA budget totals \$550,941, which includes County support of \$435,995 for FY2011-12. The Program's budget reflects a 10.8 percent decrease when compared to FY2010-11. This decrease is the result of

Annual Fiscal Plan

Description	FY10 Actual	FY11 Original	FY12 Approved	Change 11 to 12
Personnel	\$ 152,605	\$ 149,500	152,492	2.0%
Operation	571,772	467,831	398,449	(14.8%)
Capital	4,126	0	0	0.0%
Total	<u>\$ 728,503</u>	<u>\$ 617,331</u>	<u>\$ 550,941</u>	<u>(10.8%)</u>
Personnel Complement*	N/A	N/A	N/A	

*Personnel Complement does not reflect 3 Complement III positions that are supported by this budget.

VJCCCA Probation (cont'd)

	Performance Measures			
	FY10	FY11	FY12	Change 11 to 12
Workload Measures				
Number of Referrals from Probation/Court Order	3,036	2,800	2,750	(50)

reductions in State funding provided to the County for this grant program. State funding is projected to total \$114,946, which reflects a 37.5 percent decrease over the FY2010-11 Approved Budget.

This most recent reduction is only the latest in a line of reductions to this program. The first significant revenue reduction occurred in FY2002-03 when the General Assembly reduced VJCCCA funding received by the County by 51.2 percent. This revenue decrease resulted in the termination of programs and reductions in service levels. State funding remained close to this level until FY2008-09, when the General Assembly adopted the 2008-2010 Biennial Budget, which included reductions to localities across a variety of service areas including VJCCCA. Since FY2008-09, the General Assembly has reduced VJCCCA funding four more times, with the projected revenue for all VJCCCA programs totaling \$338,848 in FY2011-12. This amount is

18,936 less than when the program was initiated in FY1995-96.

In response to a continued state funding freeze (at FY2002-03 levels) that was significantly impacting service levels, the County General Fund transfer was increased to \$480,882 in the FY2006-07 budget. The FY2011-12 approved budget for VJCCCA programs, Probation and Detention, reflect a slightly increased General Fund share, which now totals \$546,544. Probation will continue to use VJCCCA funding to provide a wide variety of services and programs to offenders and their families, including psychological and substance abuse assessments, anger management, parenting groups, drug screens, intensive home based services, and residential services. Despite the reduction in State funding, these services and programs continue to be highly utilized as alternatives to secure detention.

JUVENILE & DOMESTIC RELATIONS DISTRICT COURT

Detention Home - VJCCCA

Description

In 1996, funding through the Virginia Juvenile Community Crime Control Act (VJCCCA) replaced the State Block Grant system for all community based programs and services in the juvenile justice system except secure detention. A major advantage of this funding includes the locality's ability to develop programs and services that specifically address the juvenile justice needs of Henrico County.

Objectives

- To help alleviate the problem of over-crowding in secure detention.
- To allow children to live with their custodial parents while in the program or until Court disposition.
- To operate the Outreach Program effectively per Court orders, thereby reducing the number of youths kept in detention.
- To provide a less restrictive alternative to incarceration.

Budget Highlights

Juvenile Detention's budget for the Virginia Juvenile Community Crime Control Act totals \$334,451, including the County contribution of \$110,549. The total budget reflects a decrease of \$608, or 0.2 percent over the FY2010-11 budget due to reductions by the State in the amount allocated to Henrico for this grant program.

The budget will support Detention Outreach and the Services Through Opportunity Programs (STOP) offered through Juvenile Detention. The STOP program was developed to monitor non-violent juveniles as an alternative to weekend sentencing in secured detention. The Department coordinates with Recreation and Parks to identify various park sites that require cleanup including picking up trash and sweeping sidewalks. The program requires juveniles that violate conditions of the program to finish the remainder of their Court ordered sentence in secure detention. The Department anticipates serving 48 participants in FY2011-12. All employees working with the STOP program are required to take CPR, first aid and defensive driving classes.

Annual Fiscal Plan

Description	FY10 Actual	FY11 Original	FY12 Approved	Change 11 to 12
Personnel	\$ 274,335	\$ 281,003	\$ 282,555	0.6%
Operation	53,561	54,056	51,896	(4.0%)
Capital	0	0	0	0.0%
Total	<u>\$ 327,896</u>	<u>\$ 335,059</u>	<u>\$ 334,451</u>	<u>(0.2%)</u>
Personnel Complement	3	3	3	0

Performance Measures				
	FY10	FY11	FY12	Change 11 to 12
Workload Measures				
Electronic Monitoring Days	4,739	5,739	5,739	0
Outreach Participants w/Electronic Monitoring	152	120	120	0
Outreach Participants w/o Electronic Monitoring	176	135	135	0
STOP Participants	89	48	48	0
STOP Program Days	482	291	291	0
Efficiency Measures				
Average Length of Stay w/Electronic Monitoring	31	48	48	0
Average Length of Stay w/o Electronic Monitoring	39	37	37	0

The Detention Outreach Program is supported by 3 Complement II positions (1 Outreach Coordinator, 2 Outreach Workers) and provides an alternative to secure detention by offering direct and indirect services to children requiring less restrictive supervision. For those youths who need more restrictive supervision, the Electronic Monitoring component of Detention Outreach will be utilized. Juveniles that generally qualify for this program have reoccurring behavior issues such as curfew violations, running away from home and truancy.

This most recent reduction is only the latest in a line of reductions to this program. The first significant revenue reduction occurred in FY2002-03 when the General Assembly reduced VJCCCA funding received by the County by 51.2 percent. This revenue decrease resulted in the termination of programs and reductions in service levels. State funding remained close to this level until FY2008-09,

when the General Assembly adopted the 2008-2010 Biennial Budget, which included reductions to localities across a variety of service areas including VJCCCA. Since FY2008-09, the General Assembly has reduced VJCCCA funding four more times, with the projected revenue for all VJCCCA programs totaling \$338,848 in FY2011-12. This amount is \$18,936 less than when the program was initiated in FY1995-96.

In response to a continued state funding freeze (at FY2002-03 levels) that was significantly impacting service levels, the County General Fund transfer was increased to \$480,882 in the FY2006-07 budget. The FY2011-12 budget for VJCCCA programs, Probation and Detention, reflect an increased General Fund share to assist with funding these programs. Despite the reduction in State funding, these services and programs continue to be highly utilized as alternatives to secure detention.

JUVENILE & DOMESTIC RELATIONS DISTRICT COURT

USDA Grant

Description

Each year the United States Department of Agriculture (USDA) awards a grant to the County to assist with caring for juveniles who are in some form of detention. Henrico County's Juvenile Detention Home qualifies for a portion of this grant. Funds can be used for food, supplies, kitchen equipment, and relief wages for cooks. Funds are awarded based upon the number of breakfast and lunch meals served and reported monthly. Unspent funds at the end of each year may be carried over to the next fiscal year and accumulated for qualifying large item purchases. The Virginia Department of Juvenile Justice and the Federal Government jointly monitor the program's guidelines and expenditures.

Budget Highlights

In FY2011-12, the Juvenile Detention Home will continue to use USDA Federal grant funds to supplement operating expenses for the Detention Home's kitchen and food service. The Department projects \$27,500 in USDA grant funding for FY2011-12, which is a \$2,929, or 9.6 percent decrease when compared to the approved budget for FY2010-11. These funds will continue to be used to purchase food, food service equipment, and maintain and repair kitchen equipment. The total food budget for FY2011-12, including amounts budgeted in the General Fund, will total \$80,174.

Objectives

- To file all reports promptly and accurately for reimbursement of funds.
- To disburse grant funds for eligible items for the benefit of detained youths.

Annual Fiscal Plan

Description	FY10 Actual	FY11 Original	FY12 Approved	Change 10 to 11
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	27,739	26,460	23,009	(13.0%)
Capital	2,916	3,969	4,491	13.2%
Total	<u>\$ 30,655</u>	<u>\$ 30,429</u>	<u>\$ 27,500</u>	<u>(9.6%)</u>
Personnel Complement	N/A	N/A	N/A	

MENTAL HEALTH & DEVELOPMENTAL SERVICES

Description

MH/DS/SA Services provides community-based mental health, intellectual disability, substance abuse, prevention, and early intervention services to the residents of Henrico, Charles City, and New Kent Counties, under the direction of the Henrico Area Mental Health & Developmental Services Board. The Department serves people experiencing the effects of or at risk for mental illness, intellectual disabilities, substance abuse, and children with developmental delay. The vision of the Department is:

Promote dignity, recovery and self-sufficiency in the lives of the people we serve, help our community embrace people with mental disabilities, and lead in providing innovative and responsive services that exceed our community's expectations.

The vision is carried out through a wide range of emergency, inpatient, outpatient, case management, day support, assertive community intervention, residential, prevention, jail, and early intervention services.

Objectives

- To provide ongoing supportive services to individuals with intellectual disabilities, including residential, day support, and case management services.
- To provide ongoing support and treatment services to individuals with long-term mental illness, including case management, psychiatric treatment, crisis intervention, residential, and day support services.
- To provide prescreening evaluations, attend involuntary commitment hearings and supervise mandatory outpatient treatment as ordered by the court.
- To provide medical and social detoxification services to the chemically dependent.
- To provide outpatient psychotherapy and related services to children, adults, the elderly, and their families.
- To provide intensive outpatient treatment for adults and adolescents abusing alcohol and drugs.
- To provide emergency services 24 hours per day, seven days a week.
- To provide protective inpatient services to individuals who are dangerous to themselves or to others or unable to care for themselves.
- To provide early intervention and prevention services to children at risk of developing mental health issues, intellectual disabilities, and substance abuse problems and their families.

Annual Fiscal Plan

Description	FY10 Actual	FY11 Original	FY12 Approved	Change 11 to 12
Personnel	\$ 22,520,069	\$ 23,227,494	\$ 23,785,000	2.4%
Operation	7,429,562	8,787,325	8,657,571	(1.5%)
Capital	243,763	0	0	0.0%
Total	<u>\$ 30,193,394</u>	<u>\$ 32,014,819</u>	<u>\$ 32,442,571</u>	<u>1.3%</u>
Personnel Complement*	220	220	220	0

*Personnel Complement totals above do not include 117 Complement III positions in FY2011-12.

Mental Health & Developmental Services (cont'd)

Performance Measures				
	FY10	FY11	FY12	Change 11 to 12
Workload Measures				
Persons Served by Emergency Services	1,926	1,900	1,900	0
Persons Served by Mental Health Services	4,443	4,450	4,450	0
Persons Served by Developmental Services	1,608	1,600	1,600	0
Persons Served by Substance Abuse Services	1,623	1,600	1,600	0

Budget Highlights

The State Department of Behavioral Health and Developmental Services (DBHDS) has identified four priority population groups for the Community Services Board system. MH/DS/SA spends the majority of its funding serving these groups, which are: those with serious mental illness, those with intellectual disabilities, those with substance use disorders, and children. Services to these priority populations are delivered directly by MH/DS/SA and/or contracted through private vendors.

Each of these priority groups requires a continuum of care in order to achieve a better quality of life and avoid more costly services. The continuum of care for these populations may include psychiatric services, vocational or day support programs, intensive case management, outpatient care, housing, transportation, or inpatient care.

The Department's budget is divided into areas that mirror these priority groups, although some other clients in addition to these State priority groups are also served. In Mental Health Services, persons with general mental health problems and those ordered by the courts and other correctional agencies for evaluation/treatment are served in addition to those with serious mental illness.

Services in support of other County agencies are among the important contributions of this Department. Mental Health Services include services to Public Safety (Police and Fire), Juvenile Detention, and on-site services to the Juvenile Court. Emergency services are offered to all clients on a 7-day a week, 24-hour per day basis. The Emergency Services Program works closely with public safety personnel to address community safety issues. Mental Health Services and Substance Abuse Services are provided in both Jail facilities.

The Administrative Services section of the Department supports the Executive Director's office, the Department's information systems, and the general business functions of the Department. The Department operates a large wide area network on which resides a client data and billing system in addition to general office software. Administrative Services includes office support staff at various locations, facilities management for 19 facilities, medical records management, human resources and financial management.

Sheltered Employment enables individuals with intellectual disabilities to work at jobs outside of their home and earn wages. This section operates Cypress Enterprises and Hermitage Enterprises.

The Department's FY2011-12 approved budget, including the Sheltered Employment program, is \$32,442,571. Personnel expenditures are budgeted to increase by 2.4 percent. Four Complement III positions; comprised of two Training Assistants; one Clinician; and one Case Manager, have been added in FY2010-11 and are included in the FY2011-12 budget. Each of these positions generates revenues to support all position expenses.

Allocations for operating expenditures decreased \$129,754, or 1.5 percent. Non-consumer related operating expenses decreased by \$162,795 or 5%, even though rent of facilities increased \$17,594 or 1.9 percent. The department reduced the number of leased copiers to save \$7,900. Telecommunication costs were decreased \$13,270 by eliminating cell phones, landlines and voicemail boxes and tethering some Blackberries. The office supply budget for FY2011-12 has decreased by \$4,200 through an office supply roundup initiative and accessing the county toner cartridge contract. Mileage costs have

Mental Health & Developmental Services (cont'd)

been reduced by \$8,689 through meeting in central places and the medical supplies budget was reduced by \$1,900 by purchasing first aid supplies and refilling first aid kits ourselves. Additional cost savings of \$198,602 have been realized through the renegotiation of vendor contracts.

The Department anticipates revenues at \$32,442,571 in FY2011-12, an increase of \$427,752 (1.3 percent) over the FY2010-11 adopted budget. The County transfer of \$14,434,355 reflects a decrease of \$138,315, or 0.9 percent. As such, the County transfer will represent 44.5 percent of FY2011-12 expenditures.

The balance of the MH/DS/SA revenues are comprised of 25.4 percent Federal and State, 23.5 percent third party client fees, and the remaining 6.6 percent coming from other local governments, the Grant Reserve, and from sheltered employment contracts. A reserve fund of \$600,000 will cover grant opportunities in FY2011-12. Funds from this reserve will only be available for expenditure once grants are received and approved by the County. Sheltered Employment revenue is expected to increase by \$4,000 to \$344,400 for FY2011-12.

The Department's State performance contract revenue for FY2011-12 is projected to be \$4,747,090, a 3.8 percent increase from the FY2010-11 approved budget. The State OBRA (Omnibus Budget Reconciliation Act) Nursing Home grant is budgeted to increase by \$8,730 for FY2011-12. Because of adjustments made after the FY2010-11 budget was adopted, the anticipated state revenue projected for FY2011-12 is actually 4.0 percent lower than what is anticipated in FY 2010-11.

Third Party Client Fees are anticipated to increase by \$374,689, which is a 5.2 percent increase over the FY2010-11 approved budget. An anticipated 5.0 percent reduction in Medicaid waiver rates was offset by an increase in billable services. Coverage of substance abuse services has expanded for Medicaid and insurance. The net increase in Medicaid revenue is 2.8 percent. Self-pay and insurance revenue are anticipated to increase 24.1 percent.

What follows is a description of expenditure changes for the Department in the FY2011-12 budget.

The FY2011-12 budget for **Mental Health Services**

increased \$230,463, to \$14,012,304, which is a 1.7 percent increase over the FY2010-11 approved budget. This section's mission is to provide mental health services to the residents of Henrico, New Kent, and Charles City counties with 144 full-time and six part-time employees. Operating expenditures are budgeted to decrease by \$19,032, or 0.7 percent. The cost of contractual medical services decreased by \$26,850 due to lower inflation than anticipated in the adopted FY2010-2011 budget and a reduction in contractual psychiatric services.

The **Substance Abuse Section** budget is \$2,025,737, an increase of \$1,335 (0.1 percent) from the adopted budget for FY2010-11. Eighteen full-time and four part-time employees provide substance abuse services. Operating costs decreased by \$2,390 or 0.9 percent in FY2011-2012.

The budget for **Developmental Services** reflects an expenditure increase of \$164,445 (1.8 percent) to \$9,533,971 in FY2011-12. These services are provided by 106 full-time and 12 part-time employees. Operating costs increased by \$22,111 or 0.9 percent in FY2011-12. Medical services funded with the early intervention Part C Grants, State and federal, are increasing by \$37,768 or 35.2 percent.

Administration spending decreased 0.1 percent, or \$6,379, to \$6,504,999. Forty-nine full-time and two part-time employees comprise the administrative staff. Operational funding decreased \$155,355 (4.8 percent) to \$3,110,216. Inflationary increases in real property leases were offset by savings in telecommunications, motor pool and contractual transportation services for consumers.

Sheltered Employment funding in FY2011-12 will increase by \$4,000 or 1.2 percent over the adopted FY2010-11 level to \$344,400. One full-time and one part-time position support the Sheltered Employment operation. Operating costs increased \$3,782 for supplies for Sheltered Employment contracts.

Day Support Services

Over the past thirteen years the County of Henrico has provided additional funding to Mental Health/Developmental Services Day Support Services to ensure that individuals who graduate from Special Education programs and other adults living in the community who need day support services will be served immediately.

Mental Health & Developmental Services (cont'd)

What follows is a list of additional funding received in prior years.

In FY2011-12 it is anticipated that approximately 24 individuals with intellectual disabilities graduating from high school will be in need of a day support program. Nine of these individuals will be absorbed with current resources. During FY2009-10 the department negotiated with private providers over reimbursement rates. Clients with greater day service needs are reimbursed at a higher rate and clients with lower level of needs are reimbursed at a lower rate for annual savings of \$170,520. Further negotiations with transportation providers for more consistent transportation rates among providers created annual savings of \$28,082. The annual cost to serve the remaining 15 individuals is \$219,732. However, after the combined savings of \$198,602 Mental Health only required an additional \$21,130 to serve these 15 individuals in FY2011-12.

FY2010-11	\$226,376
FY2009-10	\$126,650
FY2008-09	\$214,800
FY2007-08	\$147,000
FY2006-07	\$167,000
FY2005-06	Fully Funded
FY2004-05	\$199,000
FY2003-04	\$253,330
FY2002-03	\$192,935
FY2001-02	\$172,110
FY2000-01	\$200,790
FY1999-00	\$172,110

DIVISION OF POLICE

Metro Aviation Unit

Description

In 1986 the Counties of Henrico and Chesterfield, and the City of Richmond entered into a multi-jurisdictional agreement, which facilitated the use of police aircraft in all three jurisdictions and created the Metro Aviation Unit. As a part of this agreement, the Henrico Division of Police is charged with housing the aircraft; supervision of the pilots; fiscal management; and planning the training for the Unit.

Objectives

- The Unit will provide aerial observation and support for all jurisdictions.
- The Unit will conduct patrols of identified high crime areas.
- The Unit will provide transportation of prisoners to and from other jurisdictions upon request.
- The Unit will provide aerial photographs of any location in the metropolitan area upon request.
- The Unit will provide routine and special aerial patrol within the tri-jurisdictional area.

Budget Highlights

The FY2011-12 budget includes \$55,000 for the extradition of prisoners, which is fully reimbursable. The remaining balance of the budget, \$406,687, is divided equally between Chesterfield County, the City of Richmond, and Henrico County. In FY2011-12, Henrico's share of the budget remains constant at \$135,561.

Henrico's Division of Police manages the Metro Aviation Unit. This section of the Division of Police also handles extradition of prisoners, which is entirely reimbursable from the State of Virginia. The combined budget for Metro Aviation and Extradition is \$461,687.

The Metro Aviation Unit continues to be a valuable and effective crime fighting tool to the participating localities and the region. The localities continue to increase their usage of the unit and each locality now assigns three pilots to the unit.

The three participating jurisdictions approved the purchase of an additional patrol plane, a Cessna 182, and in July 2006, the Board of Supervisors approved a budget amendment to increase the Metro Aviation Unit's budget for the purchase of the new aircraft. The aircraft is equipped with the latest

Annual Fiscal Plan

Description	FY10 Actual	FY11 Original	FY12 Approved	Change 11 to 12
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	361,062	431,687	431,687	0.0%
Capital	469	30,000	30,000	0.0%
Total	<u>\$ 361,531</u>	<u>\$ 461,687</u>	<u>\$ 461,687</u>	<u>0.0%</u>
Personnel Complement	N/A	N/A	N/A	N/A

Metro Aviation (cont'd)

Performance Measures				
	FY10	FY11	FY12	Change 11 to 12
Workload Measures				
Number of Aerial Transports	34	36	38	2
Flight Hours for Aerial Transports	90	99	105	6
Extraditions (commercial carriers)	34	35	35	0

technology including an electronic instrument panel, an integrated spotlight, a forward looking infra-red (FLIR) system, and a video downlink that permits the aircraft to broadcast images while flying for viewing at varying locations within the three jurisdictions. The unit's three other aircrafts are of varying ages including a patrol plane and a transport plane, which

are each over twenty-five years old. The third aircraft is a patrol plane that is ten years old. With the purchase of the fourth plane, the unit uses the older patrol plane for training and as a reserve patrol plane that is used during maintenance and repairs to the other two patrol planes.

DIVISION OF POLICE

Wireless E-911

Description

The Henrico County Emergency Communications Center began answering wireless E-911 calls in June 2000. The State Police had previously answered these calls, however State legislation was enacted, which mandated localities to begin answering the wireless E-911 calls. The Emergency Communications Center answers all emergency and non-emergency calls for service and dispatches the appropriate unit; police, fire, or emergency medical service, to the location of the call. The emergency communications operators spend more time processing a wireless call than they spend processing a wireline E-911 call. Some of the unique problems of a wireless call are a limited ability to determine the exact caller location and the uncertainty of being able to reconnect with the caller if they are disconnected.

Objectives

- To answer the wireless call and collect information from the wireless caller to allow for location identification.
- To dispatch appropriate emergency or non-emergency unit to the location of the call for service.

Budget Highlights

Henrico began receiving funding from the State Wireless Board to pay for the cost of receiving wireless E-911 calls in FY1999-00. The funding is provided from the State E-911 Cellular Tax, \$0.75 per month charged to each cellular phone, and distributed to localities through the State Wireless Board. In 2006, the General Assembly approved a change in the method of distributing the revenue collected. In the approved legislation, 60% of the revenue collected from the \$0.75 monthly fee is distributed to the localities. The distribution from the State Wireless Board to each locality is based on the cost to operate the localities emergency communications center as well as the call load of the center.

As the number of cell phones continues to increase the number of emergency calls being made from cell phones is increasing. Cell phones provide a quick, easy, and efficient means of reporting traffic accidents and other emergencies, which do not always occur near a landline phone. As the performance measures indicate, the number of E-911 calls received from cell phones is increasing at a faster rate than the number of wireline emergency and non-emergency calls received by the emergency communications center.

Annual Fiscal Plan

Description	FY10 Actual	FY11 Original	FY12 Approved	Change 11 to 12
Personnel	\$ 563,267	\$ 824,855	\$ 839,552	1.8%
Operation	103,221	135,941	122,628	(9.8%)
Capital	0	0	0	0.0%
Total	<u>\$ 666,488</u>	<u>\$ 960,796</u>	<u>\$ 962,180</u>	<u>0.1%</u>
Personnel Complement*	N/A	N/A	N/A	N/A

*Fourteen Communications Officers are included in the Police General Fund Complement.

Wireless E-911 (cont'd)

	Performance Measures			
	FY10	FY11	FY12	Change 11 to 12
Workload Measures				
Wireless 911 Calls Received	120,056	124,978	130,102	5,124
Percentage Wireless 911 Calls to Total 911 Calls Received	69.51 %	73.60%	77.70 %	4.10 %
Percentage Wireless 911 Calls to Total Calls (Emergency & Non-emergency) Received	24.59 %	26.60%	28.60 %	2.00 %

The Wireless E-911 budget for FY2011-12 totals \$962,180, representing a net increase of \$1,384 or 0.1 percent from the previous approved budget. The personnel component increased by a net difference of \$14,697 or 1.8 percent due to merit adjustments as well as the rising health care expenditures. This increase was offset by the reduction of VRS life insurance. The operating component decreased by \$13,313 or 9.8 percent from the prior approved budget as a result of the County-wide adjustment in technology replacement.

The approved budget for FY2011-12 includes funding for fourteen communications officers, maintenance costs for mapping and verbal response software as well as telecommunications costs associated with the emergency communication

center's ability to handle wireless calls.

As previously stated a new distribution formula was approved in the 2006 General Assembly session. Under this formula, localities receive sixty percent of the revenue after allocations to two State agencies, the Division of Public Safety Communications (DPSC) and Virginia Geographical Information Network (VGIN). These two State agencies directly support Wireless E-911. Based on information provided by the Wireless Board, before this change the localities were receiving forty-eight percent of the revenue collected, so the change has been beneficial to localities. Having said this, the County will continue to conservatively project the amount of Wireless E-911 revenues received from the State in FY2011-12.

COMPREHENSIVE SERVICES ACT

Description

The Comprehensive Services Act (CSA) is a State mandated program that insures services to at-risk youth and families. CSA provides a collaborative system of services and funding that is child-centered, family-focused, and community-based. The Comprehensive Services Act is implemented by law at a local level under the direction of a Community Policy and Management Team (CPMT). The Henrico Family Assessment and Planning Team, which is a multi-agency team within the County, must plan all services to children and funding for these services must be approved by the CPMT. The Henrico Department of Social Services serves as the fiscal agent for CSA.

- Identify and intervene early with young children and their families.

Budget Highlights

The Comprehensive Services Act approved budget for FY2011-12 is \$8,796,782. This represents a decrease of \$172,683 or 1.9 percent over the previous approved budget. The personnel component increased by \$7,257 due to rising costs associated with health care and merit adjustments. Forecasted operating expenditures experienced a decrease of \$179,890 or 2.1 percent from the previous fiscal year. The capital component of the budget was decreased by \$50. This funding is for repair or replacement of machinery and equipment.

Objectives

- Provide services that are responsive to diverse strengths and needs of youth and family.
- Increase interagency collaboration and family involvement in the provision of services to children.
- Encourage public and private partnerships.

The Henrico Family Assessment and Planning Team administer the CSA program with the help of a full-time coordinator. The existence and membership of this team is established by the Code of Virginia and includes agency directors of Mental Health and Developmental Services, Juvenile Court Services, Public Health, Education and Social Services; a local government administrator; a private provider representative; and a parent representative.

Annual Fiscal Plan

Description	FY10 Actual	FY11 Original	FY12 Approved	Change 11 to 12
Personnel	\$ 357,590	\$ 377,362	\$ 384,619	1.9%
Operation	6,870,555	8,591,503	8,411,613	(2.1%)
Capital	352	600	550	(8.3%)
Total	<u>\$ 7,228,497</u>	<u>\$ 8,969,465</u>	<u>\$ 8,796,782</u>	<u>(1.9%)</u>
Personnel Complement*	N/A	N/A	N/A	N/A

*Total personnel complement of five positions is reflected within Social Services budget.

Performance Measures				
	FY10	FY11	FY12	Change 11 to 12
Workload Measures				
Children Served	315	325	325	0
Children Served in Residential Programs	23	40	40	0
Efficiency Measure				
Average Cost Per Child	\$27,495	\$28,821	\$31,514	\$2,693

In FY2011-12, CSA will fund services for an estimated 325 children. These services will include the following: 1) placement of foster care children into services ranging from family foster homes to intensive psychiatric residential treatment facilities; 2) special education programs including private programs when children's educational needs exceed public school resources; 3) residential treatment for substance abusers, sexual offenders, and those with severe psychiatric disorders when the safety of the child and/or community precludes services in the home; 4) community based services for children and families such as in home counseling and emergency shelter placements and behavioral support services in the public school setting.

Funding to purchase services for children and families account for \$8,391,893 or 95 percent of the total budget, yielding an administrative component of five percent. The FY2011-12 budget includes continued provision of staff to provide structured oversight of purchased services, conduct state required utilization review activities, and support the placement of children into family-based environments as well as monitor the cases of children funded through CSA. CSA staff has had an active role in the development of prevention services through participation in all Family Partnership Meetings. This initiative was led by the Department of Social Services and is now being implemented across all county child serving agencies.

In addition, CSA has worked in coordination with Henrico County Public Schools (HCPS) and the Court Services Unit to focus on a truancy initiative that will address school attendance issues, by providing community based services to the children and families; the goal is to eliminate the requirement of court intervention. Funding for this initiative is slated to come through the Preservation of Safe and Stable

Families (PSSF) grant. Based on established outcome measures, these grant monies for FY2011-12 will be focused on prevention and support within the Social Services system as well.

CSA works closely with HCPS in reviewing students at risk for private school placements. Beginning in FY2010-11, funding for one to one behavioral aides in the public schools was not funded through CSA as this expense is now the responsibility of the school system. As a result, more students are at risk for placement in more restrictive settings through an Individualized Education Plan (IEP). Also, there are more students being transferred into the HCPS from other localities with IEP's written for private day placements. The review of these placements by HCPS, with the support of CSA, is essential to focus on bringing students back into the public school setting.

CSA staff has provided consistent utilization review of children placed in congregate care dramatically reducing the number of residential placements. In FY2011-12 the numbers of children placed in congregate care through CSA funding are projected to remain approximately the same based on the current incentives to maintain children in the community. It is to be noted that CSA staff have been pivotal in working with the increasing numbers of requests for Parental Placements for children identified as in need of short term evaluations in residential care. CSA services are critical for discharge planning and maintaining the goal of returning home. CSA staff has also been very active in working with residential service providers to obtain Private Parental placements for children with serious mental health issues; thus, eliminating the cost to CSA.

The FY2011-12 budget for CSA continues the local match requirement for Medicaid costs

CSA cont'd

incurred by the State, on behalf of Henrico's CSA unit. Based on the current trend in Medicaid payments for CSA children, the estimated local match for FY2011-12 is \$337,950. This forecasted amount is based on an estimated total Medicaid billing of \$1,800,000 at the State level. Of this amount, the Federal match is 50 percent or \$900,000. Of the remaining \$900,000, the State provides funding of \$562,050 or 62.45 percent and the County provides the remaining funding of \$337,950 or 37.55 percent. In order for the State to be reimbursed by this amount, the State reduces monthly CSA reimbursements by the local share of the Medicaid expenditures.

The average cost of services per child has historically risen approximately 10.0 percent annually. However, in FY2008-09 the cost for services decreased by 9.0 percent. Again, in FY2009-10, there was a decrease in cost for services of 8.0 percent. Some of the reasons for the reduced costs in FY2008-09 and FY2009-10 are the efforts made by the Department of Social Services and CSA to reduce the numbers of children in congregate care (residential placement) and to place these children in foster homes within the local community. Additionally, through the provision of community based prevention services there has been a significant decrease in the number of children needing to be placed in foster care.

Alternative funding sources such as the Mental Health Non-mandated Initiative and Virginia Juvenile Crime Control Act which had previously been utilized to fund low-end services have experienced State funding cuts for services. In order to support these children in the community, there have been increased requests for prevention services to be funded through the Comprehensive Services Act. Other funding sources

previously utilized by children for non-mandated services such as Revenue Maximization are no longer available.

Both state and local governments provide funding for the Comprehensive Services Act. Beginning July 1, 2008 match rates for services for children were changed as an incentive to reduce the numbers of children placed in congregate care. Prior to July 1, 2008 the established match rate was 37.55 percent. Effective January 1, 2009, the local match rate for residential (congregate care) placements increased to 43.18 percent. On July 1, 2009, this rate increased to 46.94 percent. As previously stated the County has worked very hard to decrease the number of children in congregate care, thus reducing the cost to CSA.

In FY2011-12, the County will provide funding totaling \$3,339,044 or 40.02 percent based on last years average for purchased services. The State will be providing the remaining \$5,004,774 or 59.98 percent less the Medicaid local match amount of \$337,950.

In FY2011-12, the County will provide a projected total of \$4,053,920 as a direct match for all CSA funding; that is purchased services, administration and Medicaid. This local share is derived from several different estimated percentages, based on the type of service being provided by CSA. Mandated services will receive local funding in the amount of \$3,339,044. CSA administration will receive \$376,926 in local funding. In addition, the County will provide a forecasted local match of Medicaid services totaling \$337,950 for a total contribution of \$4,053,920. The State will provide funding for the remainder of the CSA budget, totaling \$5,080,811 less the Medicaid local match of \$337,950 or a net contribution of \$4,742,861.

PUBLIC UTILITIES

Solid Waste and Street Lighting

Description

In addition to the water and sewer services reflected in the Enterprise Fund, the Department of Public Utilities provides solid waste disposal, limited refuse collection, and street lighting services to residents of Henrico County.

Revenue from user charges supports the activities necessary to provide all Solid Waste services except curbside recycling, bulky waste services, bagged leaf collection and neighborhood cleanup activities. These programs are supported by General Fund revenue. Street Lighting services are supported by a Sanitary District tax levy on real and personal property in those Sanitary Districts where street lights are installed.

The solid waste services provided consist of operating and maintaining a sanitary landfill with public use areas, limited curbside refuse collection and recyclables collection, neighborhood and community maintenance cleanups, Keep Henrico Beautiful program, bulky waste and bagged leaf collection. The street lighting services provided consist of accounting for the operation and maintenance of several designated street lighting districts.

Objectives

- To provide for disposal of solid waste in a manner consistent with State and Federal laws and regulations and policies of the County Board of Supervisors.
- To administer the street lighting program in sanitary Districts 2, 3, 3.1, 12 and 23 in a manner consistent with policies of the County Board of Supervisors.

Budget Highlights

Solid Waste

Projected revenues in FY2011-12 are \$12,267,102, inclusive of a General Fund subsidy of \$3,064,001. Outside of the General Fund transfer, locally generated revenues are projected to increase \$268,051 or 2.2 percent as compared to the prior fiscal year, mostly due to the new revenue source from the sale of methane gas at the landfill, which is projected at \$150,000 for FY2011-12. The General Fund subsidy for FY2011-12 will remain at the same level as in FY2010-11. Revenues are sufficient to cover all operating expenditures for Solid Waste in FY2011-12.

Annual Fiscal Plan

<u>Description</u>	<u>FY10 Actual</u>	<u>FY11 Original</u>	<u>FY12 Approved</u>	<u>Change 11 to 12</u>
Personnel	\$ 3,486,384	\$ 3,641,033	\$ 3,669,799	0.8%
Operation	5,697,984	7,162,779	7,360,303	2.8%
Capital	1,772,692	1,362,800	1,237,000	(9.2%)
Total Solid Waste	<u>\$ 10,957,060</u>	<u>\$ 12,166,612</u>	<u>\$ 12,267,102</u>	<u>0.8%</u>
Street Lights	<u>66,179</u>	<u>72,500</u>	<u>72,500</u>	<u>0.0%</u>
Total Solid Waste/Street Lights	<u>\$ 11,023,239</u>	<u>\$ 12,239,112</u>	<u>\$ 12,339,602</u>	<u>0.8%</u>

Personnel Complement	70	70	69 *	(1)
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* One position moved from Solid Waste to Water and Sewer in FY2010-11.

Solid Waste (cont'd)

	Performance Measures			
	FY10	FY11	FY12	Change 11 to 12
Workload Measures				
Tons Collected by Refuse	37,522	39,000	39,000	0
Tons Collected by Bulky Waste Service	603	650	650	0
Tons Collected by Outside Sources	40,389	42,000	42,000	0
Tons Collected by Neighborhood Cleanups	3,271	3,300	3,300	0
Tons Deposited in Public Use Areas	32,212	34,000	34,000	0
Number of Refuse Customers	39,117	40,200	41,200	1,000

Total expenditures of \$12,267,102 reflect an increase of \$100,490 or 0.8 percent compared to the FY2010-11 adopted budget.

In looking at the components of the Solid Waste budget, personnel costs reflect a \$28,766 or 0.8 percent increase, due to the increased salary and benefit costs associated with a merit increase, as well as an increase in healthcare costs. These increases were partially offset by the transfer of one position to the Water and Sewer Fund in FY2010-11.

The operating component of the budget reflects an increase of \$197,524 or 2.8 percent. This increase arises from a number of cost increases present in the FY2011-12 budget. Vehicle repair expenditures are increasing \$118,206 due to an average 10.0 percent annual increase in these costs and due to aging heavy equipment and the increasing complexity of trucks requiring increasing external service repairs. Road material costs are increasing \$28,625 to maintain the access roads to assist the trucks into the landfill. Environmental expenses are increasing \$10,500 due to the Virginia Department of Environmental Quality (VDEQ) doubling the cost of permit fees. Partially offsetting these operating cost increases is the shift of \$125,800 in capital outlay costs to the operating budget.

Capital Outlay expenditures total \$1,237,000 for FY2011-12, a decrease of \$125,800 or 9.2 percent from the prior year budget. Highlights from this component of the budget includes funding for the purchase of 6,000 (96 gallon) refuse collection carts for automated collection trucks, a replacement backhoe at a cost of \$90,000, a replacement roll-off truck at \$175,000, two replacement automated refuse trucks at \$300,000 each, two replacement Motorola radios at \$5,000 each, and a replacement tractor at a cost of \$20,000.

The Solid Waste budget is captured in four distinct areas – Administration, Collections Operations, Processing Disposal and Litter Control (Keep Henrico Beautiful). What follows is a description of each major area in the Solid Waste Budget:

Administration

The budget for Administration is \$1,915,854 and represents a net reduction of \$122,831 or 6.0 percent as compared to the prior fiscal year. This decrease is due to the net reduction of capital outlay funding by \$125,000 that was shifted elsewhere in the operating budget to cover a number of operating cost increases.

Collections Operations

The budget for Collection Operations totals \$3,820,551, and represents an increase of 1.1 percent when compared to the prior fiscal year.

Refuse Collection

The budget for the Refuse Collection area is \$2,782,915, an increase of \$20,185, mostly attributed to increases in vehicle repair costs due to the increasing complexity of refuse trucks and associated external service repairs, as well as an increase in automotive/motor pool costs based on historical usage. Weekly refuse collection services are provided to over 40,000 households in the County by eleven refuse collection crews, operating County owned equipment.

Bulky Waste Collection

Bulky Waste Collection operates during normal business hours and will collect large items, such as furniture, appliances and yard waste, and deposit them in the landfill. The cost for this service is a \$43 per trip fee. The program also receives a subsidy of \$239,002 from the General Fund. The FY2011-12 budget continues to include the estimated cost to provide free bulky waste pick up

Solid Waste (cont'd)

for all County residents that currently participate in the Real Estate Tax Advantage Program (REAP).

Bagged Leaf Services

The budget for Bagged Leaf Services is \$155,127, which remains flat with the prior fiscal year budget. Bagged Leaf Services provides three collections in each neighborhood from October to February according to a published Leaf Collection Schedule. Open burning is banned in the majority of the County. A transfer from the General Fund fully supports the costs associated with Bagged Leaf Services.

Community and Neighborhood Cleanup

Cleanup expenditures total \$532,072 in FY2011-12, which remains flat with the prior fiscal year budget. There are no personnel costs budgeted for Cleanup activities, however, \$319,636 is budgeted for employees from other areas of Solid Waste to perform this service. Cleanup costs are fully supported by General Fund subsidy.

Processing and Disposal

The budget of \$6,435,001 in FY2011-12 for Processing and Disposal represents an increase of 2.9 percent, or \$179,887. The Processing and Disposal budget components covers recycling, landfill and the public use areas.

Recycling

Recycling expenditures total \$3,108,547 in FY2011-12, an increase of \$51,863. Of this increase, \$37,512 is attributed to increased personnel costs, and the balance is due to an increase in the recycling contract with the Central Virginia Waste Management Authority (CVWMA). The curbside recycling program serves approximately 84,000 homes in the County at a cost of \$1.90 per home per month. Recycling costs are also supported by a \$2,137,800 subsidy from the General Fund.

Landfill

The county operates a Landfill at Ford's Country Lane and the budget is \$2,259,683. The landfill accepts refuse from the County's Refuse Collection Service, Public Use Areas, Bulky Waste Collection, Neighborhood Cleanups, as well as from private haulers. The budgeted increase in this area in

FY2011-12 is mainly due to increasing vehicle repair costs due to aging vehicles and the increasing complexity of vehicle repair. Also included in the Landfill budget for FY2011-12 is funding to purchase additional rocks to maintain the access roadway into the landfill.

Public Use Areas

The FY2011-12 budget for the Public Use Areas is \$988,916, an increase of \$923. Solid Waste operates two Public Use Areas in the County, on the western end at Ford's Country Lane, and on the eastern end at Charles City Road. The Public Use Areas are available to citizens to deposit refuse for a fee of \$3 per visit and deposit recyclables at no charge. Coupon books are available for ten visits at a cost of \$27 and for fifteen visits at a cost of \$40. The Public Use Areas are open three hundred and sixty one days a year, closing on January 1st, July 4th, Thanksgiving Day and Christmas Day. The Public Use Areas will receive approximately 34,000 tons of refuse annually.

Landfill Post Closure

Landfill Post Closure expenditures in FY2011-12 are to remain the same as the current fiscal year at \$77,855 for closed landfills at Nine Mile Road and Charles City Road.

Litter Control (Keep Henrico Beautiful)

The budget for Litter Control remains status quo at a level of \$95,696. Solid Waste receives an annual grant from the State Litter Control Board, budgeted at \$25,000, for this program.

General Fund Subsidies

The General Fund subsidy of \$3,064,001 remains flat with the prior fiscal year budget, and includes \$2,137,800 for the curbside recycling program and \$926,201 for the cost of Community and Neighborhood Cleanup activities, Bagged Leaf Collection and Bulky Waste Collection. The subsidy for Bulky Waste Collection is net of the revenue from the \$43 per trip fee.

The FY2011-12 subsidy for bulky waste factors in the cost of REAP participants receiving free bulky waste pick up service. The components for the General Fund subsidies for Recycling, Community and Neighborhood Cleanups, Bagged Leaf

Solid Waste (cont'd)

Collections, and Bulky Waste Collection are as follows:

	<u>FY10-11</u>	<u>FY11-12</u>	<u>% Change</u>
Recycling	2,137,800	2,137,800	0.0%
Bulky Waste	239,002	239,002	0.0%
Cleanups	532,072	532,072	0.0%
Bagged Leaf	155,127	155,127	0.0%
Total	\$3,064,001	\$3,064,001	0.0%

The history of Community Maintenance Cleanup projects are:

<u>Community Maintenance</u>	<u>No.</u>	<u>Total Cost</u>
FY2000-01	18	\$355,923
FY2001-02	27	\$329,083
FY2002-03	26	\$333,890
FY2003-04	25	\$433,267
FY2004-05	25	\$423,600
FY2005-06	27	\$448,040
FY2006-07	30	\$464,990
FY2007-08	31	\$419,814
FY2008-09	31	\$416,086
FY2009-10	31	\$398,857

This compares to the summary of Neighborhood Cleanup projects below:

<u>Neighborhood Cleanups</u>	<u>No.</u>	<u>Total Cost</u>
FY2000-01	22	\$7,125
FY2001-02	26	\$7,830
FY2002-03	23	\$9,268
FY2003-04	18	\$6,904
FY2004-05	22	\$9,077
FY2005-06	26	\$11,645
FY2006-07	29	\$11,038
FY2007-08	44	\$16,539
FY2008-09	41	\$14,560
FY2009-10	40	\$13,512

Street Lighting

The County provides street lighting in certain areas and the costs for street lighting are supported by supplemental tax levies to residents and businesses in those areas. The budget for FY2011-12 will maintain services levels for the current 156 street lights in District #2, 163 street lights in District #3, the 27 street lights in District #3.1, the 27 street lights in District #23, and the 87 street lights in District #12.

Projected street lighting revenues and expenditures in FY2011-12 equal the same as in the previous fiscal year at \$72,500.

The street lighting personal property levy for each District remains at \$0.001 for all districts below and real property levies remain unchanged for FY2011-12 at the following rates:

<u>Sanitary District</u>	<u>Approved Rate</u>
District #2	\$0.003
District #3	\$0.010
District #3.1	\$0.031
District #23	\$0.010
District #12	\$0.010

It should be noted that the real property rates were decreased for street lighting in the FY2006-07 approved budget. Prior to that decrease, the real property tax levies had not been reduced since calendar year 1981 for all existing sanitary districts.

PUBLIC WORKS

Best Management Practices

Description

The Department of Public Works is responsible for the long-term maintenance of Best Management Practice (BMP) devices in single-family residential subdivisions within Henrico County. BMP devices are basins for treating storm water to improve water quality. A fee is paid by developers at the time subdivisions are recorded to offset the County's cost of maintaining BMPs.

Objective

- To provide the long-term maintenance of BMP devices in accordance with Federal and State regulations.

Budget Highlights

The approved budget of \$50,000 is based on the amount of anticipated fee revenue. The BMP maintenance fee is \$100 per lot and is paid by

developers when subdivisions are recorded. At this time, the Department plans to use an annual contractor to perform BMP maintenance.

An alternative storm water management program was developed and this alternative program was adopted on August 14, 2001 by the Board of Supervisors. The alternative program will reduce the number of BMPs constructed for future development projects by providing more cost effective alternatives through a comprehensive, watershed management approach. Use of a subdivision lot for a BMP device not only reduces revenue for the developer by preventing the sale of this lot, but also effectively decreases the value of adjacent lots. The Best Management Practices Program will eventually be phased out as the new Watershed Management Program is implemented. Eventually, all revenue will be generated through the new Environmental Fund that was established to fund projects identified by the Watershed Management Program.

Annual Fiscal Plan

Description	FY10 Actual	FY11 Original	FY12 Approved	Change 11 to 12
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	0	50,000	50,000	0.0%
Capital	0	0	0	0.0%
Total	<u>\$ 0</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>0.0%</u>
Personnel Complement	N/A	N/A	N/A	N/A

PUBLIC WORKS

Watershed Program

Description

The Department of Public Works has developed and implemented an innovative program that addresses stormwater quality requirements mandated by State and Federal regulations for development projects. The Watershed Program provides more effective alternatives to the typical Best Management Practices (BMPs). One of these alternatives is the contribution to an environmental fund in lieu of constructing BMPs in certain areas. This fund will be used by the Department of Public Works to restore streams and otherwise improve water quality throughout the County.

Objective

- To restore streams and otherwise improve water quality in order to achieve the mandated levels of water quality benefit as the typical on-site BMP approach.

Budget Highlights

The approved budget of \$847,000 is based on the amount of anticipated fee revenue to be generated from this program, which began in FY2002-03.

The fee for the environmental fund is \$8,000 per pound of pollutant removal required and is paid by developers prior to POD approval and subdivision recordation. At this time, the Department plans to conduct individual projects through Requests For Proposal and Professional Service Agreements.

The alternative storm water management program was adopted on August 14, 2001 by the Board of Supervisors. The Program provides alternatives to construction of BMPs in certain areas and will reduce the number of BMPs constructed in the future. To offset the storm water treatment that will not be provided by those BMPs, the Department of Public Works will use funds generated by the Program to conduct projects along streams to improve water quality. These projects will include stream restoration, stream bank stabilization, a streamside buffer establishment, and stream obstruction removal. Funding will also be made available for large, regional BMPs as opportunities become available through cooperation with developers and citizens. Expenditures from this program will not exceed revenues generated.

Annual Fiscal Plan

Description	FY10 Actual	FY11 Original	FY12 Approved	Change 11 to 12
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	153,091	847,000	847,000	0.0%
Capital	0	0	0	0.0%
Total	<u>\$ 153,091</u>	<u>\$ 847,000</u>	<u>\$ 847,000</u>	<u>0.0%</u>
Personnel Complement	N/A	N/A	N/A	N/A



ENTERPRISE FUNDS

COUNTY OF HENRICO, VIRGINIA
APPROVED REVENUES & EXPENDITURES - WATER & SEWER ENTERPRISE FUND
FY 2011-12

Water and Sewer Enterprise Fund

Revenues/Resources	FY 09-10 Actual	FY 10-11 Original	FY 11-12 Approved
<u>Water and Sewer Operating Budget:</u>			
Sale of Water	40,257,116	41,852,811	44,258,630
Sale of Sewer	39,414,659	42,453,050	43,579,501
Water Connection Fees	3,420,228	1,706,880	2,216,550
Sewer Connection Fees	2,977,783	3,941,635	4,076,998
Interest Earnings	534,154	1,164,090	917,073
Strong Waste Surcharge	1,354,362	1,485,000	1,385,000
Other Water/Sewer revenues	5,241,107	1,543,700	1,567,807
Transfer from General Fund	661,231	772,219	756,608
Total Operating Revenues	93,860,640	94,919,385	98,758,167
Operating Expenditures			
<u>Water and Sewer Operating Budget:</u>			
Personnel	19,246,442	19,516,872	19,760,885
Operating	34,936,809	36,663,397	37,452,511
Capital Outlay	578,170	805,674	785,527
Sub-Total Operating	54,761,421	56,985,943	57,998,923
Debt Service	15,872,176	14,783,503	20,391,286
Total Operating Expenditures	70,633,597	71,769,446	78,390,209
Results of Operations (Prior to Capital Expenses)	23,227,043	23,149,939	20,367,958
Budget For Capital Use (Below)	n/a	(36,629,912)	(100,827,965)
Capital Budget Expenditures	FY09-10 Actual	FY10-11 Original	FY11-12 Approved
Approved Capital Projects (FY2010-11 Budget)		36,629,912	
Approved Capital Projects (New FY2011-12 Budget)			100,827,965
Continuing Capital Projects (Previously Approved) (1)	41,921,379	19,148,260	
Total Capital Budget Expenses:	41,921,379	55,778,172	100,827,965
Capital Budget Resources			
Water and Sewer Revenues	26,259,220	35,079,129	100,827,965
Revenue Bonds (2006 Series)	15,631,906	10,629,296	
ARRA - Federal Stimulus Funds	30,253	10,069,747	
Total Capital Budget Resources:	41,921,379	55,778,172	100,827,965
Fund Equity (Unreserved) (2)	83,058,432	48,758,310	70,805,408

Notes:

(1) This number plus the budget figure reflects Utilities estimate of capital spending from previously Board approved capital projects. FY2009-10 represents actual spending, as per the 2010 audit.

(2) FY10 Fund Equity represents actual unreserved equity, as per 2010 audit. FY2010-11 and FY2011-12 unreserved fund equity is based on current cash flow model prepared by the Department. Totals from above do not equal fund equity, as there is also a reserved component that cannot be calculated annually.

COUNTY OF HENRICO, VIRGINIA
APPROVED REVENUES & EXPENDITURES - BELMONT GOLF COURSE ENTERPRISE FUND
FY 2011-12

Fund-Function/Activity	FY 09-10 Actual	FY 10-11 Original	FY 11-12 Approved
Belmont Golf Course Fund			
Revenues:			
Operating	935,726	1,226,585	1,220,070
Transfer from General Fund	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	935,726	1,226,585	1,220,070
(To) From Retained Earnings	<u>183,155</u>	<u>0</u>	<u>0</u>
Total Resources	1,118,881	1,226,585	1,220,070
Expenses:			
Loan Repayment to County	0	22,500	22,500
Operating	<u>1,118,881</u>	<u>1,204,085</u>	<u>1,197,570</u>
Total Operating Expenses	\$1,118,881	\$1,226,585	\$1,220,070

PUBLIC UTILITIES

Water and Sewer

Description

The Water and Sewer Enterprise Fund accounts for the provision of water and sewer services to residents of Henrico County. All activities necessary to provide such services are accounted for in this fund, including construction, financing, and related debt service. The total cost of water and sewer services is funded by user charge revenue. No County taxes are used to support these services.

Henrico purchased all of its water requirements from the City of Richmond prior to April, 2004. At that time, the Water Treatment Facility (WTF) opened and began providing water to customers, thereby, reducing the quantity of water the County purchases from the City. In addition to water services, the Department is responsible for the installation and maintenance of fire hydrants throughout the County.

Sanitary sewers are separate from storm water collection facilities in the County, and the Department of Public Utilities is responsible for all sanitary sewer

services. The Henrico County Water Reclamation Facility (WRF) treats most of the County's wastewater, with a small amount treated by the City of Richmond. Portions of Goochland County, Hanover County and the City of Richmond are also served by the WRF.

Objectives

- To provide adequate quantities of safe drinking water in compliance with State and Federal regulations and County standards, at equitable rates, and to others with whom the County has contracted to provide service.
- To provide wastewater disposal in a manner consistent with State and Federal laws and regulations, V.P.D.E.S. permits and County standards, at equitable rates, and to others with whom the County has contracted to provide service.

Annual Fiscal Plan

<u>Description</u>	<u>FY10 Actual</u>	<u>FY11 Original</u>	<u>FY12 Approved</u>	<u>Change 11 to 12</u>
Personnel	\$ 19,246,442	\$ 19,516,872	\$ 19,760,885	1.3 %
Operation Expenses	34,936,809	36,663,397	37,452,511	2.2 %
Capital	578,170	805,674	785,527	(2.5 %)
Debt Service	15,872,176	14,783,503	20,391,286	37.9 %
Total	<u>\$ 70,633,597</u>	<u>\$ 71,769,446</u>	<u>\$ 78,390,209</u>	<u>9.2 %</u>
Personnel Complement	308	308	307 *	(1)

* Two positions were unfunded and moved to the Hold Complement in FY2011-12. One position was moved from Solid Waste to the Water and Sewer Fund in FY2010-11.

	Performance Measures			
	FY10	FY11	FY12	Change 11 to 12
<u>Workload Measures</u>				
Average No. of Fire Hydrants in Service	11,799	11,900	12,100	200
Miles of Water Mains	1,528	1,543	1,563	20
Miles of Sewer Mains	1,443	1,455	1,465	10
Number of Water Customers	91,776	92,100	92,400	300
Number of Sewer Customers	88,854	89,200	89,500	300

Budget Highlights

The Public Utilities' Water and Sewer Fund is an enterprise fund, supporting its operating and capital infrastructure expenditures with revenues derived from customer charges and water and sewer revenue bonds.

Resources

In FY2011-12, projected operating resources of \$98,758,167 will support water and wastewater operations and reflects an increase of 4.1 percent from the FY2010-11 adopted budget, which includes a 5.0 percent increase in water and sewer rates as well as a 5.0 percent increase in connection fees.

In addition to supporting operating requirements, resources must be sufficient to service debt, bond coverage requirements and future capital requirements within the five-year Capital Improvement Program. Due to the nature of the infrastructure maintained by the Water and Sewer fund, consistent infrastructure maintenance and replacement must be planned on a multi-year basis, as opposed to the year-to-year analysis included in each budget cycle.

On an annual basis, Public Utilities performs cash flow projections verifying that cash flows are sufficient to cover current and future operating costs, capital infrastructure improvements, debt service, and bond coverage requirements over a multi-year period. These projections are critical in ensuring that rate changes are sufficient in meeting all of the obligations of the fund. The FY2011-12 budget adheres to that premise.

Payments and transfers from the General Fund in FY2011-12 total \$756,608 for debt service, all of which will support the debt service costs related to the Elko Tract infrastructure improvements.

Expenditures

The FY2011-12 budget of \$78,390,209 includes expenditures for personnel, operating, capital outlay, and debt service. Overall, the Water and Sewer operating budget is increasing by 9.2 percent, or \$6,620,763. Excluding debt service costs, the FY2011-12 Water and Sewer operating budget is increasing 1.8 percent or \$1,012,980 from the FY2010-11 approved budget. Of this increase, \$1,131,900 is attributed to the annual payment to Cumberland County associated with the Cobbs Creek Reservoir as agreed upon in the Memorandum of Understanding (MOU) dated August 10, 2010. The FY2011-12 payment represents the 2nd payment of this amount to Cumberland County in the 50-year agreement, which would end in FY2059-60. Outside of this payment, the Water and Sewer operating budget is actually decreasing \$118,920 from the FY2010-11 approved budget.

In addition to the operating budget, the Water and Sewer capital budget (found within the Capital budget component of this budget document) totals \$100,827,965 for FY2011-12. This is noted because, as an Enterprise Fund, revenues generated by this operation must support both the operating expenditures in the current year as well as ensuring that capital budget expenditures over a multi-year period may be funded. Highlights of changes in the FY2011-12 operating budget are as follows.

Personnel Expenses:

Personnel expenditures of \$19,760,885 represent an increase of \$244,013, or 1.3 percent, as compared to the approved budget for FY2010-11. This increase reflects all salary and benefit costs associated with a 2.372 percent merit increase, the addition of one position from Solid Waste, and an increase in

Public Utilities (cont'd)

healthcare expenses, partially offset by the elimination of funding for two positions and a 2.75 percent vacancy savings rate.

Operating Expenses:

Operating expenses of \$37,452,511 reflect a net increase of \$789,114 or 2.2 percent when compared to prior year budgeted totals. This increase is somewhat misleading as it results from the appropriation of an annual payment in the amount of \$1,131,900 to Cumberland County associated with the Cobbs Creek Reservoir. Excluding this payment, operating expenses are declining \$342,786 in FY2011-12 due to a number of targeted operating budget reductions. Water and Sewer's allocation for electric services is declining \$439,071 as a result of a number of specific departmental initiatives to preserve electricity. Funding for chemicals and engineering/architectural services has been reduced by \$832,936 to reflect anticipated reduced expenditures in these areas. Partially offsetting these reductions are increases in the areas of maintenance and repairs, maintenance service contracts, and repair and maintenance supplies in the combined amount of \$346,807, due to cost increases associated with pump repairs, repair and maintenance of generators, and the service contract cost of preventive and corrective maintenance on high voltage systems at the Water Reclamation Facility. Also, other contractual services costs are increasing \$149,394 due to a new odor and corrosion contract through Goochland County.

Capital Outlay Expenses:

Capital outlay expenditures in FY2011-12 total \$785,527, which represents a \$20,147 reduction when compared to the current fiscal year.

Debt Service Requirements:

Debt service expenditures of \$20,391,286 represent a net increase of \$5,607,783 or 37.9 percent when compared to the current fiscal year. The reason for this increase is twofold. First, the Water and Sewer Fund generated significant debt service savings through two separate bond refundings, one for \$70.4 million in January 2009 and the second for \$22.9 million in December 2009. The bulk of the savings from these refundings was targeted for FY2009-10 and FY2010-11. Of the \$5,607,783 increase in debt service costs in FY2011-12, \$1,920,400 is associated with existing debt due to the payment structure of these refundings. Second, the Water and Sewer Fund anticipates the sale of new debt in FY2011-12, resulting in an anticipated debt service

payment of \$3,686,933, which reflects six months of principal and interest payments. The debt service budget will fully fund requirements arising from the Water and Sewer Fund's outstanding debt, which on June 30, 2010 was \$182.7 million. According to bond covenants for outstanding debt, the Water and Sewer Fund must ensure that net operating revenues be at least 1.25 times the debt service requirements. In the year that ended June 30, 2010, this coverage equaled 1.94 times the debt service requirements (Source: FY2009-10 Henrico County Comprehensive Annual Financial Report).

Debt service expenditures, in total, represent 26.0 percent of the FY2011-12 operating expenditures. This is a much higher percentage than what is seen in the General Fund (target of 7.75 percent of General Fund expenditures), and is representative of another difference between the County's General Fund and the Water and Sewer Fund.

FY2011-12 Capital Budget:

Specific details regarding the Water and Sewer Fund capital budget for FY2011-12 may be found within the capital budget component of this document.

The capital budget for the Water and Sewer Fund totals \$100,827,965. It should be noted that the five-year Capital Improvement Program for the Water and Sewer fund totals \$559,439,780. This amount represents 29.4 percent of the total County five-year Capital Improvement Program. However, when looking at the County's FY2010-11 operating budget, the Water and Sewer fund represents 7.0 percent of approved expenditures. The difference between the relative proportion required for Water and Sewer in the capital budget as opposed to the operating budget is indicative of the significant infrastructure maintenance and replacement requirements that are present in this operation.

Summary:

The FY2011-12 budget for the Department of Public Utilities continues to plan for infrastructure improvement and replacement, it meets all debt service coverage requirements, and covers all known fixed operational cost increases. Because of the continued emphasis on multi-year planning and strong financial policies, the County of Henrico Department of Public Utilities possesses two AAA bond ratings by two of the top three rating agencies, one of a few public utilities in the United States to possess two AAA bond ratings.

Public Utilities (cont'd)

Historical Depiction of Fund Equity (Outside of
Restricted Equity for Accounts Receivable, and Debt
Service Coverage Requirements):

At the end of each year, the annual audit offers a depiction in fund equity that is available largely for future year infrastructure improvements in the Capital Improvement Program. For the past five years, this unrestricted fund equity has been noted as follows:

FY06: \$ 34,249,640

FY07: \$109,362,917

FY08: \$107,686,434

FY09: \$ 86,679,593

FY10: \$ 83,058,432

Source: Annual Audit of the Water and Sewer Enterprise Fund, Respective Fiscal Year.

BELMONT PARK GOLF COURSE

Description

The Belmont Park Golf Course is operated and maintained by the Division of Recreation and Parks. The Golf Course has a PGA golf professional on contract. In addition to golf services, the professional operates the Pro Shop at the Golf Course. All activities necessary to run this public facility are accounted for in the Belmont Park Golf Course Enterprise Fund and are paid for by the people who use the course.

Objectives

- To provide a top quality, well-conditioned 18-hole championship golf course to the residents of Henrico County.
- To utilize all available resources to provide quality maintenance programs, planning, and development to maintain and enhance the Golf Course and services provided to its customers.
- To continue to improve the aesthetics of the Golf Course by improving the turf quality.
- To improve the quality and playing conditions of the sand traps, utilizing existing resources.
- To prepare and serve quality food in a clean and attractive environment for the customers of the Golf Course.

Budget Highlights

The budget for the Belmont Golf Course in FY2011-12 is \$1,220,070, which represents an overall decrease of 0.5 percent when compared to the FY2010-11 approved budget. This budget includes \$1,047,616 for the Golf Course operations, \$149,954 for the Snack Bar, and \$22,500 for payment on a loan from the General Fund for the restoration of the greens received in FY2002-03. The personnel component for the Golf Course operations and the Snack Bar increased by 1.6 percent due to a merit increase and increases in the costs to provide health care benefits. Operating expenditures are forecasted to decrease by \$13,151 or 2.3 percent while the capital component is expected to decrease by \$2,640 or 6.6 percent.

The Golf Course Operations section of the budget reflects a decrease of 0.5 percent from the previous fiscal year. Personnel costs reflect an increase of \$8,228 due to a merit increase and rising costs for health care. This increase is offset by \$12,451 in reductions in the operating component. The capital outlay component reflects a decrease of \$1,535 when compared to FY2010-11.

The Snack Bar section of the budget reflects a decrease of \$727. Personnel is projected to increase \$1,048 due to the merit increase and health care. The operating component decreased \$700 and the capital outlay component decreased \$1,075 to offset the increase in personnel.

Annual Fiscal Plan

Description	FY10 Actual	FY11 Original	FY12 Approved	Change 11 to 12
Personnel	\$ 568,943	\$ 590,305	\$ 599,581	1.6%
Operation	514,206	574,073	560,922	(2.3%)
Capital	35,732	39,707	37,067	(6.6%)
Debt Service	0	22,500	22,500	0.0%
Total	<u>\$ 1,118,881</u>	<u>\$ 1,226,585</u>	<u>\$ 1,220,070</u>	<u>(0.5%)</u>
Personnel Complement	9	9	9	0

Belmont Golf Course (cont'd)

Performance Measures				
	FY10	FY11	FY12	Change 11 to 12
Workload Measures				
Rounds of Golf Played	32,552	33,000	40,000	7,000
Equipment Man Hours	22,750	22,750	22,750	0

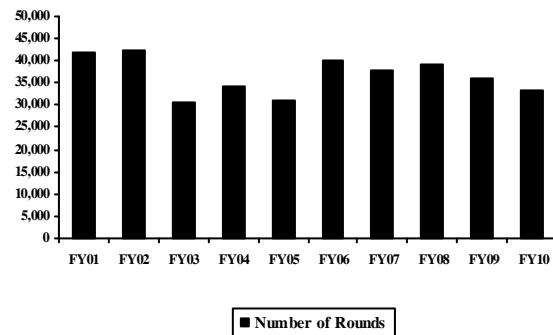
Capital expenditures for the operation of the Belmont Golf Course total \$35,567 while capital expenditures for the Snack Bar total \$1,500. The Division anticipates the replacement of two golf maintenance utility vehicles while the snack bar anticipates the replacement of an electric flat-top grill. The rehabilitation project for FY2011-12 is to replace the siding on the Belmont tower in front of the pro shop.

The revenues for Belmont Golf Course consist of greens fees, cart rentals, and the sale of items at the Snack Bar. Prices are set to provide a quality yet affordable golfing experience for the County's citizens. Green fees will remain the same in FY2011-12. It must be noted that rates were increased \$1 on July 1, 2010 but were not increased in FY2009-10, the first year without a rate increase since FY2004-05.

In looking at historical information regarding the number of rounds played, the totals have somewhat rebounded from a low of 30,501 in FY2002-03. The number of rounds remained relatively constant in FY1999-00, FY2000-01, and FY2001-02, averaging 42,116 over the three year period. In FY2002-03, the number of rounds decreased by 11,678 or 27.7 percent due to the course renovations of two greens as a result of damage from Hurricane Isabel. While there was a small increase in FY2003-04, rounds played again decreased in FY2004-05 as there were

more renovations required as a result of Tropical Storm Gaston. Despite the decrease in rounds for FY2008-09, the number of rounds remains higher than the three year period from FY2002-03 to FY2004-05. Marketing efforts have been undertaken in recent years in order to attract new customers and increase the rounds of golf played. These efforts will continue throughout the upcoming fiscal year.

**Belmont Golf Course:
Number of Rounds Played**



In FY2002-03, the General Fund loaned the Belmont Golf Course \$135,000 in order to restore several of the greens. These renovations were completed in FY2003-04. Belmont Golf Course will repay this loan over six payments of \$22,500.



OTHER FUNDS

**COUNTY OF HENRICO, VIRGINIA
ALL OTHER FUNDS
FY 2011-12**

Fund-Function/Activity	FY 09-10 Actual	FY 10-11 Original	FY 11-12 Approved
Internal Service Funds			
Central Automotive Maintenance			
Revenues:			
Charges for Automotive Maintenance - West	\$6,444,644	\$5,600,000	\$6,000,000
Charges for Automotive Maintenance - East	1,517,028	1,420,000	1,420,000
Charges for Use of Motor Pool	5,015,069	4,300,000	4,123,235
Charges for Gasoline	5,251,472	8,934,772	8,589,596
Miscellaneous	316,776	247,500	247,500
(Gain)/Loss on Sale of Property	(136,950)	0	0
(To) From Retained Earnings - CAM	(337,788)	0	0
Transfer to Capital Projects	(590,600)	0	0
Transfer from General Fund	0	0	0
Total Revenues	\$17,479,651	\$20,502,272	\$20,380,331
Expenses:			
Central Automotive Maintenance	\$17,479,651	\$20,502,272	\$20,380,331
Total Expenses	\$17,479,651	\$20,502,272	\$20,380,331
Technology Replacement Fund			
Revenues:			
Technology Replacement Charges	\$2,593,923	\$2,026,475	\$1,759,995
Technology Replacement Charges-Special Revenue	74,487	59,590	44,692
Technology Replacement Charges-Belmont	4,870	3,896	2,922
Technology Replacement Charges-JRJDC	3,430	2,744	2,058
Technology Replacement Charges-Risk	3,734	2,987	2,240
(To) From Retained Earnings - Technology	(61,832)	939,316	517,323
Total Revenues	\$2,618,612	\$3,035,008	\$2,329,230
Expenses:			
Data Processing Equipment	\$2,618,612	\$3,035,008	\$2,329,230
Total Expenses	\$2,618,612	\$3,035,008	\$2,329,230

All Other Funds (cont'd)

Fund-Function/Activity	FY 09-10 Actual	FY 10-11 Original	FY 11-12 Approved
Risk Management			
Revenues:			
Transfer from General Fund	\$9,277,368	\$4,364,026	\$4,369,790
Public Utilities Charges	839,157	620,577	629,403
Recon-Workers' Compensation	437,415	0	0
Prop/Liability Recovery	392,986	0	0
A/R-S1 P/L Subrogation	11,622	0	0
Interest Income	6,129	0	0
Total Revenues	\$10,964,677	\$4,984,603	\$4,999,193
Expenses:			
Risk Management	\$10,964,677	\$4,984,603	\$4,999,193
Total Expenses	\$10,964,677	\$4,984,603	\$4,999,193
Healthcare Fund			
Revenues:			
County Contribution	\$50,426,813	\$59,870,318	\$62,860,858
Employee Contribution	14,248,828	15,277,730	15,850,645
Retiree Contribution	4,933,916	5,735,340	5,950,415
Retiree Subsidy	597,254	562,134	606,967
Disabled Subsidy	158,809	280,432	268,870
COBRA	192,521	279,952	290,450
Other Revenues	77,973	150,000	75,000
Fund Balance (Includes IBNR)	(3,227,600)	3,000,000	4,000,000
Total Revenues	\$67,408,514	\$85,155,906	\$89,903,205
Expenses:			
Healthcare	\$67,408,514	\$85,155,906	\$89,903,205
Total Expenses	\$67,408,514	\$85,155,906	\$89,903,205
Debt Service Fund			
Revenues:			
Transfer from General Fund	\$50,070,508	\$49,832,472	\$52,854,043
(To) From Fund Balance	2,000,000	2,000,000	2,000,000
Transfer to Capital Projects Fund	4,000,000	0	0
Total Revenues	\$56,070,508	\$51,832,472	\$54,854,043
Expenditures:			
Debt Service - General Government	\$13,454,649	\$11,719,316	\$14,375,844
Debt Service - Public Works	3,718,100	3,590,382	2,954,631
Debt Service - Education	38,897,759	36,522,774	37,523,568
Total Expenditures	\$56,070,508	\$51,832,472	\$54,854,043
Adjustment for Interfund Transactions	(\$71,281,139)	(\$84,250,164)	(\$86,446,256)

CENTRAL AUTOMOTIVE MAINTENANCE

Description

Central Automotive Maintenance (CAM) is a division of the Department of General Services that maintains all automotive equipment, automotive refueling facilities, and leased vehicles used by various County agencies. Maintenance activities are performed at two locations, one in the western portion of the County on Woodman Road, and the other in the eastern portion of the County on Dabbs House Road.

There are eight self-service automotive refueling facilities throughout the County that provide gasoline, diesel, and propane fuels. CAM owns and leases passenger sedans, pickup trucks, vans, and several buses to other County departments on a monthly basis. Funding for all of these activities is primarily provided through inter-department billings.

Objectives

- To maintain County automotive equipment as effectively and efficiently as possible.
- To provide leased vehicles to conduct County business.
- To provide fuel for County vehicles.

Budget Highlights

The Department's budget for FY2011-12 is \$20,380,331. This represents a decrease of \$121,941, or 0.6 percent when compared to the FY2010-11 approved budget. Personnel costs are increasing 1.2 percent as a result of a merit increase and increasing costs for health care. This is somewhat offset by reductions in the budgeted rate for group life insurance.

The overall operating component totals \$16,550,489, which is a decrease of \$166,131, or 1.0 percent over the previous approved budget. This decrease is the result of capturing savings in the amounts budgeted for electricity and repair parts. CAM was able to capture savings in the operating component due to energy efficient initiatives implemented at the Western Maintenance Facility. The first initiative was to install more efficient lighting structures. The second initiative installed a 'clean-burn' system, which utilizes used motor oil as a source for heating the Western Maintenance Facility.

The capital component, excluding vehicles, totals \$200,225 for FY2011-12. Capital expenditures include four 64,000 pound mobile lifts, five heavy duty battery chargers, four storage cabinets, two workbenches, two mechanics' vices, a tire balancer, a rim clamp tire changer, and a recycling parts washer.

Annual Fiscal Plan

Description	FY10 Actual	FY11 Original	FY12 Approved	Change 11 to 12
Personnel	\$ 3,618,267	\$ 3,785,652	\$ 3,829,842	1.2%
Operation	12,266,302	16,716,620	16,550,489	(1.0%)
Capital	1,595,082	2,884,960	2,889,125	0.1%
Sub-Total	<u>\$ 17,479,651</u>	<u>\$ 23,387,232</u>	<u>\$ 23,269,456</u>	<u>(0.5%)</u>
Recommended Adjustments	0	(2,884,960)	(2,889,125)	
Total Budget	<u>\$ 17,479,651</u>	<u>\$ 20,502,272</u>	<u>\$ 20,380,331</u>	<u>(0.6%)</u>
Personnel Complement	65	65	65	0

Central Automotive Maintenance (cont'd)

Performance Measures				
	FY10	FY11	FY12	Change 11 to 12
Workload Measures				
Number of County Vehicles	3,240	3,243	3,244	1
Gallons of Fuel Consumed	3,007,474	3,077,009	3,018,483	(58,526)
Annual Miles Driven	25,112,408	25,539,175	25,204,333	(334,842)
Equipment to Mechanic Ratio	74	74	74	0

The FY2011-12 budget also includes \$2,688,900 for the replacement of 101 motor pool vehicles, as compared to \$2,617,600 for the replacement of 106 motor pool vehicles in the FY2010-11 approved budget. Motor pool vehicles scheduled for replacement in FY2011-12 include 10 compact sedans, 9 full-size sedans, 2 mid-size sedans, 14 vans, 8 sport utility vehicles, and 58 trucks.

The Division of Central Automotive Maintenance is an internal service fund due to its ability to generate revenues that offset its expenditures. The majority of CAM's revenues are generated from charges to user departments for three primary services: automotive maintenance, motor pool, and fuel. Revenues from automotive maintenance performed at both the West End and East End maintenance facilities are estimated at \$7,020,000 for FY2011-12.

Motor pool revenues are projected to decrease by \$176,765, or 4.1 percent due to changes made to rental rates. Vehicle rental charges cover maintenance and operation costs plus a charge for vehicle replacement that accumulates in CAM's fund balance, which is then used for the purchase of replacement vehicles (101 vehicles are scheduled for replacement in the FY2011-12 budget).

The estimate for CAM's fuel revenues totals \$8,589,596 for FY2011-12. Fuel consumed by a

department owned vehicle is charged to departments at actual cost plus a mark up per gallon which covers the cost of providing the fuel service. In FY2011-12, the charge per gallon of diesel fuel is estimated at \$3.52 and the charge per gallon of gasoline is \$3.13. It should be noted that the budgeted cost per gallon and fleet miles to be driven are estimates.

Historical (budget assumption) information is as follows:

Gasoline (per gallon)	Dept Cost	CAM Cost
FY2007-08	\$2.61	\$2.50
FY2008-09	\$2.61	\$2.52
FY2009-10	\$3.59	\$3.50
FY2010-11	\$3.13	\$3.04
FY2011-12	\$3.13	\$3.04

Diesel (per gallon)	Dept Cost	CAM Cost
FY2007-08	\$2.61	\$2.50
FY2008-09	\$2.61	\$2.52
FY2009-10	\$3.84	\$3.75
FY2010-11	\$3.52	\$3.43
FY2011-12	\$3.52	\$3.43

Miscellaneous revenue for CAM is projected at \$247,500 for FY2011-12 and includes the sale of vehicles, employee use of County vehicles, and recoveries and rebates.

TECHNOLOGY REPLACEMENT FUND

Description

The Technology Replacement Fund was created in FY2000-01 to serve as an internal service function for general government technology replacement costs. This fund provides for the replacement of general government computers and related technology equipment. Individual departments will, on an annual basis, transfer funds from their operating budgets to the Technology Replacement Fund for future replacement of computer and related technology equipment included in the program.

Objectives

- To allow Henrico County to utilize technological advancements as they occur.
- To spread the cost of replacing technology equipment over a period of multiple years to reduce the impact of large one-time purchases in a given year.
- To provide centralized accounting to accurately monitor the number and cost of technology equipment replacement.
- To ensure the County does not find itself in the position of having to issue long term debt to pay for routine technology equipment.

Budget Highlights

The FY2011-12 approved budget for the Technology Replacement Fund totals \$2,329,230 and includes \$228,104 for the purchase of new equipment, which will be added to the program and \$2,101,126 for the replacement of computer equipment which has been in the Technology Replacement Fund and is eligible for replacement. In an effort to reduce expenses, departments have been requested to review computer requirements to determine if an extended replacement cycle is practical based on the use of the computer.

In FY2011-12, funding of \$228,104 is included for the purchase of new studio equipment for Public Relations and Media Services, which will be added to the fund. These items will be purchased for the department, which, in turn, will budget one-tenth of the replacement cost for those items in their operating budget due to the type of the equipment that is being requested. Funding for the future equipment replacement costs will be transferred to the Technology Replacement Fund during FY2011-12.

The FY2011-12 request for replacement computer equipment totals \$2,101,126. The departments that made formal requests for equipment replacement in FY2011-12 are Building Inspections, Commonwealth's Attorney/Victim Witness program, Community Revitalization, Division of

Annual Fiscal Plan

Description	FY10 Actual	FY11 Original	FY12 Approved	Change 11 to 12
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	177,330	349,444	0	(100.0%)
Capital	2,441,282	2,685,564	2,329,230	(13.3%)
Total	<u>\$ 2,618,612</u>	<u>\$ 3,035,008</u>	<u>\$ 2,329,230</u>	<u>(23.3%)</u>

Technology Replacement Fund (cont'd)

Performance Measures				
	FY10	FY11	FY12	Change 11 to 12
Workload Measures				
Funds Transferred from Departments	2,680,444	2,101,287	1,811,907	(289,380)
Accumulated Value of Equipment	10,097,790	10,115,172	11,353,554	1,238,382
Computers in Program	2,804	2,805	2,831	26
Other Equipment in Program	876	878	1,027	149
Effectiveness Measures				
Percent of Eligible Departments in Program	100%	100%	100%	0 %

Fire, Division of Police, Finance, General Services, Human Resources, Information Technology, Internal Audit, Planning, Public Library, Public Relations and Media Services, Public Works, and Recreation and Parks. The Department of Information Technology approves the replacement request based on the computer's use as well as the user's anticipated needs.

Currently, a total of twenty-five departments participate in the program. In each subsequent year, departments currently in the program will budget

funds in their operating budgets for the purpose of future technology equipment replacement.

FY2011-12 will mark the twelfth year of the program, and is the ninth year equipment in the fund can be replaced. It should be noted that in the current year, there are 2,805 computers and 878 other pieces of equipment in the program, which has an accumulated value of \$10,115,172. As of June 30, 2010, the Technology Replacement Fund had accumulated \$9,612,996 for future equipment replacement.

RISK MANAGEMENT

Description

Risk Management is a division within the Department of General Services that provides protection from accidental losses arising out of the County's General Government and Public Schools operations. The Division is responsible for the management of the self-insurance fund, administration of workers' compensation, auto, property and liability claims, loss prevention, safety training, and environmental management. Protection is provided through a combination of self-insurance, purchased insurance, and risk transfer mechanisms. Administrative support is provided to the Executive Safety Committee and the Accident Review Board. The safety staff provides training and guidance to all County agencies and Henrico County Public Schools to ensure compliance with state and federal regulations. The environmental coordinator provides administration for the County's environmental program to include communication of policy, program implementation, and employee awareness training.

Objectives

- To protect the County against losses which could significantly impact its personnel, property, or financial stability in providing services to the general public.
- To provide comprehensive insurance coverage for the General Government and Schools at the lowest possible cost when considering the various risks involved.

Budget Highlights

The FY2011-12 budget reflected within the Internal Service Fund series as Risk Management provides services to all areas of General Government and Education, across all funds. In FY2011-12, the budget for Risk Management totals \$4,999,193 and is funded with a transfer of \$4,369,790 from the County's General Fund and a projected transfer of \$629,403 from the County's Water & Sewer Enterprise Fund. The personnel component represents 15.3 percent of the budget while the operating and capital outlay components represent 84.7 percent of the total. A more detailed synopsis of these components will be explained in the individual areas within Risk Management listed below.

In FY2011-12, the budget for the Self-Insurance Administration function of Risk Management totals \$993,449. Within the Self-Insurance Administration area, ten employees provide risk management services including claims administration, loss prevention, loss control, safety training, administration of the Self-Insurance Fund for both General Government and Schools, and coordination of the Environmental Management Program. During FY2011-12, special emphasis will continue in the area of risk assessment of programs and activities in an effort to recognize, reduce, and control risk exposures. In addition, the development and implementation of the Environmental Management Program will continue, including communication of the County's environmental policy, general employee awareness training, and establishing objectives

Annual Fiscal Plan

Description	FY10 Actual	FY11 Original	FY12 Approved	Change 11 to 12
Personnel	\$ 709,132	\$ 743,013	\$ 763,940	2.8%
Operation*	10,255,545	4,238,090	4,229,253	(0.2%)
Capital	0	3,500	6,000	71.4%
Total	<u>\$ 10,964,677</u>	<u>\$ 4,984,603</u>	<u>\$ 4,999,193</u>	<u>0.3%</u>
Personnel Complement	10	10	10	0

*\$5,560,534 of FY2009-10 actual expenditures was funded through a routine budget amendment utilizing funding available in the Self-Insurance Reserve.

Risk Management (cont'd)

Performance Measures				
	FY10	FY11	FY12	Change 11 to 12
Workload Measures				
Workers' Compensation Claims Processed	884	885	890	5
Auto, General Liability, Other Claims Processed	507	530	535	5
Property Damage and Loss Claims Processed	1,190	1,175	1,190	15

through the Environmental Management System (EMS) process. The Environmental Coordinator will participate with and provide support to the EMS teams from selected operations.

In FY2011-12, the budget for Claims is \$2,942,997, which includes \$1,686,708 for workers' compensation claim costs, \$1,241,289 for property/liability claims costs, and \$15,000 for long-term disability. As the number and cost of claims continues to increase due to additional County employees, facilities, and vehicles, emphasis is placed on loss prevention and loss control.

The Division promotes a culture of safe work practice through the review and development of safety programs, emergency action plans, safety training for employees, and analyses of trends in the number and

type of claims. Rising medical costs contribute to the increase in the cost of workers' compensation claims. Efforts to control the costs include close monitoring of the claim, negotiated discounts with providers, reduction of bills through a preferred provider network or to the prevailing community rate, and a prescription drug program.

Also included in the FY2011-12 budget is \$1,056,747 for insurance policies/premiums. These funds are for expenditures associated with purchased commercial insurance for both property liability and workers' compensation.

It should be noted that the County's costs in this area are also augmented by the Self-Insurance Reserve, which on 6/30/10 had a balance of \$10.0 million.

HEALTHCARE FUND

Description

Effective January 1, 2008, Henrico County's health care program transitioned to a self-insurance program. Prior to this transition, the County's health care program operated as a fully insured program, which, in exchange for the payment of a premium, an insurance company assumed the risk, administered the program, and paid all claims. With the transition to a self-insured program, the County pays claims and third party administrative fees. Self-insurance allows the County to more fully control all aspects of the plan, including setting rates to smooth out the impact of increases on employees and the County, while maintaining adequate funding to cover claims, expenses, and reserves.

Budget Highlights

The cost to fund healthcare expenses is covered by payments from active employees, the County and the School Board, retirees, and retention of interest earnings. The County and Schools contributions are budgeted in departmental budgets, and the Healthcare Fund charges departments based upon actual participants in the program. Revenues to the Healthcare Fund in excess of expenditures accumulate in a premium stabilization reserve. These funds are utilized to allow the County to maintain rate increases at manageable levels.

The budget for FY2011-12 provides funding of \$89,903,205 for the Healthcare Fund. Included in this

figure is \$62,860,858 in funding that is budgeted within individual County and Schools departments as the County's contributions for Healthcare for active employees. Also included in this figure is the cost to the County and Schools for retiree subsidies, which are budgeted within the Human Resources budget. It is important to note that expenditures already budgeted within individual departments are negated from the Healthcare Fund budget in the "Adjustments for Interdepartmental Billings" to avoid double counting of expenditures. The balance of \$26,166,510 reflects anticipated payments from employees and retirees that participate in the program, as well as interest earnings and the utilization of the Revenue Stabilization Reserve. The Healthcare Fund budget assumes the use of \$4,000,000 from the Premium Stabilization Reserve, which was necessary to minimize the rate increase for the County and avoid a rate increase for employees in calendar year 2011.

Of the \$89,903,205 budget for Healthcare, \$84,603,205 or 94.1 percent reflects claims expenditures. The balance of \$5,300,000 reflects anticipated third party administrative fees (\$3,600,000), the costs of an actuarial study and claims audit (\$100,000), and the premium payment for excess risk insurance (\$1,600,000). The excess risk insurance protects the County from single large claims greater than \$500,000 and total annual payments greater than 125.0 percent of actuarially projected annual claims.

Annual Fiscal Plan

Description	FY10 Actual	FY11 Original	FY12 Approved	Change 11 to 12
Claims	\$ 62,718,936	\$ 80,055,906	\$ 84,603,205	5.7%
Other Administrative Fees	4,689,578	5,100,000	5,300,000	3.9%
Total Healthcare	<u>\$ 67,408,514</u>	<u>\$ 85,155,906</u>	<u>\$ 89,903,205</u>	<u>5.6%</u>

DEBT SERVICE FUND

Description

The Debt Service Fund is used to accumulate financial resources for the payment of interest and principal on all general obligation debt of the County. The debt service on revenue bonds issued by the County's Water and Sewer utility is paid and accounted for within the Enterprise Fund. The debt service on bonds issued by the James River Juvenile Detention Center (JRJDC) Commission is paid and accounted for within the Agency Fund. The County's authority to issue general obligation debt secured solely by the pledge of its full faith and credit is provided by the Constitution of Virginia and the Public Finance Act. There are no limitations imposed by State law or local ordinance on the amount of general obligation debt that may be issued either directly or indirectly. However, with certain exceptions, all debt, which is secured by the general obligation of a county, must be approved at public referendum prior to issuance.

The process of issuing general obligation bonded debt in the County begins with the departments' presentation of capital expenditure needs to the County Manager, who then presents recommendations for funding to the Board of Supervisors. The Board of Supervisors must approve of any debt issue before it is placed on the ballot. Then County citizens must vote on the bond referendum and if the bond referendum is approved the debt can be issued. While there are no limitations imposed by State law, the County utilizes debt guidelines (described herein) to ensure that debt service payments do not impact current operations.

The County is projected to have total outstanding general debt of \$499,930,000 as of June 30, 2011. The distribution of the debt is: \$388,595,000 of General Obligation (GO) bonds (\$280,311,666 for Schools and \$108,283,334 for General Government), \$26,215,000 of Industrial Development Authority (IDA) bonds for the regional jail project, \$9,330,000 of IDA bonds for General Government projects, \$72,830,000 of Virginia Public School Authority (VPSA) bonds, and \$2,960,000 for the JRJDC, which is included in the total outstanding debt figure above as it is included in the bond rating agencies' calculations. It must be noted that of the \$499,930,000 projected June 30, 2011 outstanding debt, \$353,141,666 or 70.6 percent is attributed to Education projects and \$146,788,334 or 29.4 percent is attributed to General Government projects.

In order to ensure that the County does not exceed its ability to service current and future debt requirements, an annual long-term debt affordability analysis is performed and utilized as a forecasting tool when confronted with the question of potential debt issues. The County has established the following debt affordability guidelines – debt service as a percentage of General Fund Expenditures, 7.75%; debt service as a percentage of assessed value, 1.49%; and debt per capita, \$1,650.

The Board of Supervisors established the debt guidelines in the FY1998-99 Annual Fiscal Plan. The Board of Supervisors revalidated the guidelines during growth retreats held during the summer of

Annual Fiscal Plan

Description	FY10 Actual	FY11 Original	FY12 Approved	Change 11 to 12
Principal Payments	\$ 34,880,000	\$ 31,863,983	\$ 32,290,000	1.3%
Interest Payments	20,098,143	19,918,489	22,514,043	13.0%
Other Debt Expenses	1,092,365	50,000	50,000	0.0%
Total	<u>\$ 56,070,508</u>	<u>\$ 51,832,472</u>	<u>\$ 54,854,043</u>	<u>5.8%</u>
General Government	\$ 17,172,749	\$ 15,309,698	\$ 17,330,475	13.2%
Education	38,897,759	36,522,774	37,523,568	2.7%
Total	<u>\$ 56,070,508</u>	<u>\$ 51,832,472</u>	<u>\$ 54,854,043</u>	<u>5.8%</u>

Debt Service Fund (cont'd)

2004. Following these guidelines has allowed the County to meet its infrastructure needs without sacrificing other operational requirements.

The County's bond ratings are as follows:

- **Moody's Investors Service: Aaa**
- **Standard & Poor's: AAA**
- **Fitch IBCA: AAA**

As a note, Henrico is 1 of only 34 counties in the United States to hold the highest rating from each of the three bond rating agencies, which is referred to as a triple AAA bond rating (Aaa, AAA, and AAA).

Following are three of the ratios that are calculated in the debt capacity analysis, which was most recently completed in February 2011. The ratio of **net bonded debt to total assessed value** is a standard measure of the County's ability to meet interest and principal payments on its long-term debt. The County has a ratio of 1.40% in FY2010-11. The **ratio of debt service to General Fund expenditures** measures the percentage of the budget used to pay debt service and provides a measure of the annual demands placed on the operating budget by the County's long-term debt. This ratio is 6.54% in FY2010-11. **Net bonded debt per capita** is the amount of debt outstanding divided by the number of County residents. The amount of debt per capita in FY2010-11 is \$1,608.

Budget Highlights

Following is a historical overview of recent bond issues for which the County incurred debt obligations. By offering this historical perspective, the current year debt service requirements may be put into the context of the true multi-year planning that is required when managing the County's debt.

In FY1996-97, the County participated in a Virginia Public School Authority (VPSA) bond issue. The VPSA issue totaled \$30,595,000. The proceeds were used for technology initiatives, roof replacements, mechanical improvements, land acquisition, and planning and construction of new schools.

In the fall of 1996, the County issued IDA Lease Revenue Bonds in the amount of \$28,765,000. The proceeds were for construction of the Emergency Communication and Training Facility, renovation of

the Hartford Building (now the Public Safety Building), and the Lease/Purchase of a new 800 MHz Communication System.

In FY1997-98, the County issued IDA Lease Revenue Bonds for \$24,765,000. The proceeds from the bond issue were used for renovations to the Administration Annex (Old Public Safety Building), construction of the parking deck, and the County's technology initiative, which included technology enhancements for the Department of Finance, Community Development Agencies, and County Libraries. In addition, funding was provided for the County's LAN/WAN (local and wide area networks) backbone.

In the spring of 1999, the County participated in a VPSA Bond issue. The issue totaled \$35,740,000. The proceeds were used for various school additions and renovation projects as well as the construction of Pocahontas Middle School and Twin Hickory Elementary School.

In the fall of 1999, the County refinanced bonds that were originally issued in FY1994-95 to build the regional jail facility. The regional jail is located in New Kent County and shared by the Counties of New Kent, Goochland, and Henrico. The refinancing was advantageous due to the prevailing interest rates that reduced the debt service payments throughout the life of the issue. The State of Virginia, which committed to reimbursing the County for a portion of the debt service on the original issue, paid-off the balance of their commitment during the refinancing process.

Also in FY1999-00, the County's Schools participated in a VPSA Bond issue. The issue totaled \$15,215,000. The proceeds were used to add a multi-purpose room to Crestview Elementary School and to begin construction of Deep Run High School.

In November 2000, the County's voters approved a \$237,000,000 General Obligation (GO) Bond Referendum. The referendum included projects for Schools, Fire, Public Library, Public Works – road projects, and Recreation and Parks. Of the total \$237,000,000 referendum approved by the voters, Education projects totaled \$170,500,000 and General Government projects totaled \$66,500,000. The financing plan that supported the 2000 GO Bond Referendum utilized \$12,600,000 in VPSA interest

Debt Service Fund (cont'd)

earnings and \$4,100,000 from the County's General Fund balance.

In the spring 2001, the County issued \$37,110,000 in GO Bonds for School projects, which included the continued construction of Deep Run High School; planning and design costs for Rivers Edge Elementary School; the purchase of land for Hungary Creek Middle School; renovations to Fair Oaks Elementary School and Moody Middle School, as well as construction of New Bridge Alternative Middle School.

The County issued GO Bonds totaling \$27,035,000 in February 2002. The issue was for School projects totaling \$8,674,055 and General Government projects totaling \$18,360,945. It should be noted that the GO Bond funding when combined with \$12,600,000 of VPSA interest earnings for Education and \$4,100,000 of the County's General Fund balance provided a total of \$43,735,000 for projects approved in the FY2001-02 Capital Budget. School projects being funded include the completion of Deep Run High School and Rivers Edge Elementary School, the purchase of land for Colonial Trail Elementary School, planning and design funding for Hungary Creek Middle School and Greenwood Elementary School, and additions at Baker and Ratcliffe Elementary Schools. General Government projects being funded include construction of Fire Station #18, a replacement Tuckahoe Library, a portion of John Rolfe Parkway, and design funding for Meadowview Park, Walkerton Tavern, Osborne Park, and the Deep Run Park Recreation Center.

In January 2003, the County refinanced two prior debt issues – the 1993 Public Improvement Refunding Bonds and the VPSA 1993 Bonds – and issued \$50,230,000 of new GO Bonds, which were approved on the November 2000 referendum, for a total debt issue of \$107,545,000. Due to favorable interest rates on AAA bond issues, refunding the two debt issues will reduce the County's interest cost over the balance of the debt payments.

The \$50,230,000 issued for projects approved in the FY2002-03 Annual Fiscal Plan was allocated for School and General Government capital projects. The majority of the funding, \$41,597,975 funded School projects including the construction of Hungary Creek Middle School and Greenwood Elementary School, as well as additions at Baker and Ratcliffe

Elementary Schools. The General Government projects, which totaled \$8,632,026, included funding for the construction of Fire Station #22, John Rolfe Parkway, and Mayland Drive, as well as to begin construction of the recreation center at Deep Run Park.

In May 2004, the County issued GO Bonds totaling \$38,920,000 for School and General Government projects. Due to the low interest rates available and the cost advantages of a larger bond issue, the issues that were planned for FY2003-04 and FY2004-05 were combined into one issue. The school projects, which totaled \$12,549,826, included the renovation of Tuckahoe and Ridge Elementary Schools, an addition at Ratcliffe Elementary School, planning funds for Colonial Trail Elementary School and additions at Maybeury and Donahoe Elementary Schools, as well as funding for ADA compliance, Asbestos Abatement, and Tennis Court Replacements. The General Government projects, which totaled \$26,370,174, include the renovation of Fire Station #5, construction of Fire Station #21, construction of the Twin Hickory Area Library, continued funding for John Rolfe Parkway and improvements to Creighton and Charles City Roads, funding to complete the construction of Deep Run Recreation Center, funding for improvements at Walkertown Tavern and Osborne Park, and planning funds for Meadowview Park Phase I.

On March 8, 2005, the County voters approved a \$349,300,000 General Obligation (GO) Bond Referendum. The referendum included projects for Schools, Fire, Public Library, Public Works – one road project, and Recreation and Parks. Of the total \$349,300,000 referendum approved by the voters, Education projects totaled \$220,000,000 and General Government projects totaled \$129,300,000. The revised financing plan funds the projects over a seven year period instead of a six year period. By stretching the period of debt issuance over seven years, the debt service and operating costs for these projects comes on line more slowly and allows the maximum use of incremental County resources.

The County issued \$77,815,000 of GO Bonds in August 2005, which included projects from the November 2000 and March 2005 Referendums. The General Government projects, which totaled \$15,052,637, included Rebuilding Fire Station #8, continued funding for the John Rolfe Parkway and Charles City Road projects, as well as funding for

Debt Service Fund (cont'd)

Meadowview Park Phase I, which were all included in the November 2000 Referendum. Projects from the March 2005 Referendum included funding to begin the planning and design for an addition at Glen Allen Library, the extension of Gayton Road, and improvements at RF&P Park. The School projects, which totaled \$62,762,363, included funding for the construction of Colonial Trail Elementary School, construction funding for additions at Maybeury and Donahoe Elementary Schools and the renovation of Highland Springs High School that were projects approved in the November 2000 Referendum. The projects funded that were approved in the March 2005 Referendum include Elko Middle School, planning funding for Holman Middle School, and a cafeteria renovation and classroom addition at Henrico High School.

In November 2006, the County issued \$71,915,000 of GO Bonds, which included projects from the November 2000 and March 2005 Referendums. This issue completes the debt issuance approved on the November 2000 Referendum. The General Government projects, which totaled \$24,903,821, included the Relocation of Fire Station #3, an addition at Glen Allen Library, the renovation of Gayton Library, land for a new Varina Area Library, funding to complete the renovation of Henrico Theatre, and land for an Eastern Area Recreation Center as well as funding for parkland in Western Henrico. The School projects, which totaled \$47,011,180, included funding for the construction of Holman Middle School, a cafeteria renovation and classroom addition at Varina High School, and the renovation of Freeman High School.

The County issued \$29,810,000 of GO Bonds in January 2008 for projects from the March 2005 Referendum. The General Government projects, which totaled \$4,694,107, included the renovation and expansion of Fire Station #10 and the on-site replacement of Fire Station #7. The School projects, which totaled \$25,115,893, included funding for the construction of Harvie Elementary School, the renovation of Fairfield Middle School, the planning and design of Glen Allen High School, and an allocation of \$3,350,000 for a reserve to assist in the funding of construction cost overruns, due to the increase in construction costs that occurred after the March 2005 Referendum.

In November 2008, the County issued \$93,090,000 of GO Bonds for projects from the March 2005 Referendum. The General Government projects, which totaled \$33,700,814, includes the replacement of Fire Station #9, funding for planning and design of a new northwest area fire station (Fire Station #19), construction funding for an Eastern Area Recreation Center, and funding to continue the construction of the Gayton Road Extension. The School projects, which totaled \$59,389,186, included funding for the construction of Glen Allen High School, the addition of twelve classrooms each at Mehfoud Elementary School and Varina Elementary School, and planning and design funding for a new West Area Elementary School and the renovations of Varina High School, Johnson Elementary School, and Brookland Middle School.

Also in FY2008-09, the County's Schools participated in a VPSA Bond issue that totaled \$44,440,000. The proceeds will be utilized as needed to cover anticipated cost increases in the following March 2005 GO Bond Referendum projects: Glen Allen High School, inclusive of Leadership in Energy and Environmental Design (LEED) certification and design of a Technical Center, Holman Middle School, inclusive of LEED certification, Mehfoud and Varina Elementary School classroom additions, and construction of a new West Area Elementary School.

In May 2009, the County refunded two prior debt issues, the 2001 and 2002 GO Bonds, totaling \$33,785,000. Due to favorable interest rates on AAA bond issues, refunding these two debt issues reduced the County's interest cost by \$1.84 million over the balance of the debt payments.

In August 2009, the County refunded two more prior debt issues, the 1996 Industrial Development Authority (IDA) Lease Revenue Bonds and the 1998 IDA Lease Revenue Bonds, totaling \$36,425,000. These bond refundings generated a gross savings of \$7.6 million over the balance of the debt payments. In May 2010, the County refunded \$119,735,000 in total debt, associated with six individual debt issues. These bond refundings generated a gross savings of \$5.1 million over the balance of the debt payments.

The County issued \$72,205,000 of GO Bonds in July

Debt Service Fund (cont'd)

2010 for projects from the March 2005 Referendum. The General Government projects, which totaled \$10,999,911, included the construction of Fire Station #19, planning and design of a new Varina Area Library, and funding to continue the construction of the North Gayton Road extension. The School projects, which totaled \$61,205,089, included funding for the final funding phase for the construction of Glen Allen High School, construction funding for the new West Area Elementary School #9, construction funding for renovations at Varina High School, Brookland Middle School, and Johnson Elementary School, and planning and design funding for the renovation of Pinchbeck Elementary School. In addition, the Schools allocation of GO Bond funding created a \$6.2 million Bond Project Reserve to allow for the completion of citizen-approved bond projects that required additional funding.

The GO Bond referendum approved in November 2000, anticipated the issuance of GO Bonds over a seven year period from FY2000-01 to FY2006-07. In actuality GO Bonds were issued six times over a seven year period with the final issue in November 2006. The following table provides a summary of each GO Bond issue and the total debt issued.

Fiscal Year	Amount	Issue Date
FY2000-01	\$37,110,000	May 2001
FY2001-02	\$27,035,000	February 2002
FY2002-03	\$50,230,000	January 2003
FY2003-04	\$38,920,000	May 2004
FY2005-06	\$46,729,550	August 2005
FY2006-07	\$33,169,057	November 2006
Total	\$233,193,607	

Because of the difficult economic environment, the County chose to take the prudent approach and delay the planned FY2009-10 issuance of GO Bonds one year, to FY2010-11. This decision also pushed back the originally planned bond issues for FY2010-11 and FY2011-12 one year as well, as noted in the revised schedule below. It should be noted that the County has \$69.0 million in outstanding GO Bond projects remaining from the \$349.3 million GO Bond Referendum approved in March 2005. The original plan was to issue GO Bonds over a seven-year period, from FY2005-06 to FY2011-12.

Fiscal Year	Amount	Issue Date
FY2005-06	\$31,085,450	August 2005
FY2006-07	\$38,745,943	November 2006
FY2007-08	\$29,810,000	January 2008
FY2008-09	\$93,090,000	November 2008
FY2009-10	\$0	Issue delayed to FY11.
FY2010-11	\$72,205,000	July 2010
FY2011-12	\$33,281,000	Projected Spring '12
FY2012-13	\$35,700,000	Projected Spring '13

As shown in the table above, the County is scheduled to issue \$33.3 million in GO bonds in FY2011-12. Of the total GO Bond issue, \$22.9 million is allocated to Education, including funding for construction costs for the Pinchbeck Elementary School renovation and the addition of \$17.8 million into a Bond Project Reserve for the completion of citizen-approved bond projects that required additional funding. The General Government projects, which total \$10.4 million, includes funding for the renovation and expansion of Fire Station #13, land and planning costs for the replacement of Dumbarton Area Library, and the development of Twin Hickory Park.



FUDICIARY FUNDS

COUNTY OF HENRICO, VIRGINIA
REVENUES & EXPENDITURES - AGENCY FUNDS
FY 2011-12

<u>Fund-Function/Activity</u>	<u>FY 09-10 Actual</u>	<u>FY 10-11 Original</u>	<u>FY 11-12 Approved</u>
JRJDC Agency Fund			
Revenues:			
Transfer from General Fund	\$3,286,700	\$3,281,789	\$3,281,089
Revenue from Federal Government	103,570	0	0
Revenue from the Commonwealth	1,432,612	1,412,270	1,412,270
Revenue from Goochland/Powhatan	445,768	403,312	403,312
Gain/Loss Sale of Assets	0	0	0
Revenue from Other Localities	0	0	0
Interest Income	23,525	0	0
(To) From Fund Balance-JRJDC	(43,470)	429,169	445,138
Total Revenues	<u><u>\$5,248,705</u></u>	<u><u>\$5,526,540</u></u>	<u><u>\$5,541,809</u></u>
Expenses:			
Operating	\$4,574,206	\$4,851,230	\$4,867,199
Debt Service	674,499	675,310	674,610
Total Expenses	<u><u>\$5,248,705</u></u>	<u><u>\$5,526,540</u></u>	<u><u>\$5,541,809</u></u>
Other Post Employment Benefits - GASB 45			
Revenues:			
Transfer from General Fund	\$6,000,000	\$3,000,000	\$3,000,000
Total Revenues	<u><u>\$6,000,000</u></u>	<u><u>\$3,000,000</u></u>	<u><u>\$3,000,000</u></u>
Expenses:			
Operating	\$6,000,000	\$3,000,000	\$3,000,000
Total Expenses	<u><u>\$6,000,000</u></u>	<u><u>\$3,000,000</u></u>	<u><u>\$3,000,000</u></u>

JRJDC AGENCY FUND

James River Juvenile Detention Center

Description

The James River Juvenile Detention Center detains youth who are awaiting court action in Henrico, Goochland, and Powhatan Counties for committing criminal offenses. Additionally, some youths may be sentenced for up to six months after having been found guilty of an offense. This group includes criminal offenders, children in need of supervision, and certain traffic offenders. The facility can house up to 60 youths, who will be offered programs in education, recreation, psychological screening including follow-ups as needed, and opportunities for success through a high expectation management program.

Objectives

- To operate a safe and secure facility for residents and staff, free of serious incidents.
- To establish and maintain a quality system of health and physical care for residents.
- To provide quality programs and services for residents that enable them to return to their communities better equipped for a productive, crime-free life.

- To encourage and develop the professional skills of all employees.

Budget Highlights

The James River Juvenile Detention Commission (JRJDC) is a regional organization of Goochland, Powhatan, and Henrico Counties, formed to operate a juvenile detention facility. Henrico as majority partner serves as the fiscal agent for the operation of the JRJDC. This arrangement eliminates the need for the Commission to duplicate various administrative functions related to personnel matters and procurement activities as well as accounting and budget activities.

The operating budget for the JRJDC (excluding debt service) totals \$4,867,199 for FY2011-12. This is an increase of \$15,269, or 0.3 percent. Costs of operations decreased by 2.9 percent due to improved efficiencies in Technology Replacement, and a 2.5 percent reduction in discretionary items. Capital outlay totaling \$7,000 is also included in this approved budget for replacement of furniture as well as medical and recreational equipment.

Annual Fiscal Plan

Description	FY10 Actual	FY11 Original	FY12 Approved	Change 11 to 12
Personnel	\$ 3,847,189	\$ 4,126,898	\$ 4,163,396	0.9%
Operation	715,213	717,677	696,803	(2.9%)
Capital	12,601	6,655	7,000	5.2%
Debt	673,702	675,310	674,610	(0.1%)
Total	<u>\$ 5,248,705</u>	<u>\$ 5,526,540</u>	<u>\$ 5,541,809</u>	<u>0.3%</u>
Personnel Complement*	N/A	N/A	N/A	N/A

*The Commission has approved funding for 66 full-time positions and 1 part-time position. All positions are Complement III.

Performance Measures				
	FY10	FY11	FY12	Change 11 to 12
Workload Measures				
Admissions - Secure Detention	766	850	850	0
Average Daily Population	58	50	55	5
Admissions - Post Dispositional	58	50	50	0
Number of Female Groups Run by Clinicians	39	50	50	0
Number of Sub. Abuse Groups Run by Clinicians	48	50	50	0

The FY2011-12 budget reflects funding needed to operate the facility on a day-to-day basis. The submission includes sufficient funding for food, clothing, linens, toiletries, medical services, utilities and maintenance of the facility.

It should be noted that the average daily population of the facility has grown from 34 in FY2003-04 to 58 in FY 2009-10, and the total number of admissions to the facility (Secure Detention and Post Dispositional) has grown from 527 to 824 during the same period of time.

In FY2011-12, the Commission will bill each participating locality their operating share based on the number of beds assigned in the 60-bed facility. Per the JRJDC agreement, Henrico has 52 beds and Powhatan and Goochland have 4 beds each. This allocation results in the Commission billing the participating localities for the operating costs at the following percentages: Henrico - 86.6 percent, Powhatan - 6.7 percent and Goochland - 6.7 percent.

State aid for the Commission is estimated at \$1,412,270 in this submission, which is unchanged from the projected State grant in FY2010-11. The Commission does not anticipate funding from other localities in FY2011-12.

The Commission projects the use of \$445,138 of fund balance as part of the budget for FY2011-12. While the commission has used this practice for many years, due to expenditure savings from efficiencies along with unbudgeted revenues, actual use of fund balance has been rare and minimal. As of June 30, 2010, the Commission had a fund balance of \$2,842,317.

The Commission has budgeted debt payments totaling \$674,610 in the JRJDC Debt Service Fund for FY2011-12. These payments are paid entirely with local funds.

The following is a schedule of State aid to the Commission for the fiscal years JRJDC has been in full operation. The level of State funding remains below what it was in FY2001-02 when the average daily population of the facility was 34, far below the average daily population of 58 in FY2009-10 that was noted earlier.

Fiscal Year	State Aid
2001-02	\$1,570,378
2002-03	\$1,077,234
2003-04	\$1,130,195
2004-05	\$1,346,574
2005-06	\$1,328,775
2006-07	\$1,519,703
2007-08	\$1,554,710
2008-09	\$1,522,679
2009-10	\$1,432,612
2010-11	\$1,412,270*
2011-12	\$1,412,270*

* Figures for FY2010-11 and FY2011-12 are projections

It should also be noted that while estimates of revenues coming to the JRJDC from the State are based on the most recent information available, concerns about State funding allocations persist.

OTHER POST EMPLOYMENT BENEFITS AGENCY FUND

Other Post Employment Benefits (OPEB)

Budget Highlights

The budget for FY2011-12 provides on-going funding of \$3,000,000 for costs associated with the accounting requirement from the Governmental Accounting Standards Board (GASB) known as GASB 45, which went into effect in FY2007-08. The GASB 45 pronouncement (*Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions*) presented funding issues for many local governments throughout the United States.

Non-pension benefits provided to employees after employment ends are referred to as Other Post Employment Benefits or OPEB. The definition of OPEB, according to the Governmental Accounting Standards Board (GASB), includes health insurance coverage for retirees and their families, dental insurance, life insurance, and term care coverage. Other post employment benefits are a part of the compensation package employees earn each year, even though the benefits are not received until employment has ended. For Henrico County, these benefits are confined to retiree health insurance and specifically, for those retirees that opt to remain with the County's health care provider.

The rating agencies now consider OPEB funding status in their evaluations of government financial condition. It is possible that bond ratings may suffer for those governments with large and/or mounting

liabilities and no defined way to pay for these future costs. Under the guidelines, OPEB financial information will be produced using actuarial valuations performed in accordance with GASB standards. The actuarial valuations should be performed at least every two years for plans that administer OPEB for 200 or more plan members (active and retired) or every three years for plans with fewer than 200 members. Henrico County's next update will be completed as of June 30, 2011.

As a result of the financial reporting requirements of the Governmental Accounting Standards Board (GASB), this fiduciary fund was created in FY2007-08. This fund allows the County to budget for the annual cost of public employee non-pension benefits and all outstanding obligations and commitments related to OPEB in the same manner as reporting financial information for pensions. It is the intent of the County of Henrico to fully meet the GASB 45 funding requirement that began in FY2007-08. Due to Henrico's aggressive funding of GASB 45 requirements in FY2007-08, FY2008-09, and FY2010, Henrico was able to reduce funding in FY2010-11. The budget remains level for FY2011-12 and is forecasted to meet the anticipated funding requirements. Future contributions will continue to be based on completed independent actuarial analysis.

Annual Fiscal Plan

Description	FY10 Actual	FY11 Original	FY12 Approved	Change 11 to 12
OPEB contribution	\$ 6,000,000	\$ 3,000,000	\$ 3,000,000	0.0%
Total OPEB	\$ 6,000,000	\$ 3,000,000	\$ 3,000,000	0.0%

ADJUSTMENTS

Description

Resources to support the Central Automotive Maintenance operation, the Technology Replacement functions, and the Healthcare Fund in the Internal Service Funds, come via transfers from other operating departments in the form of interdepartmental billings and transfers from the operating Funds, as required. To avoid a duplication of those anticipated expenditures, the amount of funds budgeted for Internal Service Fund activities are deducted from total budget requests.

Objectives

- To be sure that any anticipated expenditure in the Internal Service Fund is recognized and offset by a negative entry of like amount to avoid duplication of anticipated expenditures to be billed to other departments.

Budget Highlights

The amount to be funded through interdepartmental billings is determined by the level of service required by the user departments. Service levels for those

departments can be found within their individual operating budgets.

Beginning in FY1996-97, only the Central Automotive Maintenance operation was accounted for in the Internal Service Fund. Prior to FY1996-97, all County Information Technology operations were also in the Internal Service Fund. The Department of Information Technology was moved and is accounted for in the General Fund where its activities can more properly be reported at year-end. Beginning in FY2000-01, the Technology Replacement Fund has been accounted for as an Internal Service Fund. This Fund will, over time, allow the County to replace all computers on a scheduled basis, thereby avoiding large, one-time increases in this area. Effective January 1, 2008, the County's health care program transitioned to a self-insurance program. The Healthcare Fund has been designated as an Internal Service Fund as the majority of its funding is budgeted in departmental budgets. The health care costs that are budgeted within departmental budgets are included in the adjustment, while revenues from outside sources are not included in the adjustment.

Annual Fiscal Plan

Description	FY10 Actual	FY11 Original	FY12 Approved	Change 11 to 12
Total	\$ (71,281,139)	\$ (84,250,164)	\$ (86,446,256)	2.6%

CAPITAL BUDGET

CAPITAL IMPROVEMENT PROGRAM

The Capital Improvement Program (CIP) accounts for capital improvement projects that generally require a significant outlay of funds and have a project life of longer than one year. Once funds are appropriated to the Capital Projects Fund for a project, the funds remain appropriated until the project is completed.

Henrico County's capital improvement needs and funding requirements are outlined in a separate document - the Capital Improvement Program FY2011-12 through FY2015-16. The CIP represents infrastructure improvements requested by County departments over the next five years to meet existing and future service obligations. In evaluating each of the projects, the CIP process takes into account such factors as population growth, density, desired service levels, economic development concerns, and the County's fiscal condition. In the end, the CIP reflects the needs and desires of the residents of Henrico.

The CIP also represents a balance between available resources and competing County priorities, which in the current economic climate is extremely difficult. The demands for government services do not decrease during a recession so the understanding of service demand requirements is vital to the preparation of the CIP and complicates the allocation of limited resources. Projects approved by the citizens on the March 2005 General Obligation (G.O.) Bond Referendum continue to be the highest priority projects. Public Works projects that receive funding from State Transportation (Gas Tax) funds are not included in the approved Capital Improvement Program for FY2011-12 due to continuing State budget shortfalls in this area.

Those projects associated with the maintenance of existing infrastructure that have an identifiable funding source have been approved for funding in FY2011-12. These projects include infrastructure improvements associated with water and sewer transmission and routine maintenance associated with both Education and General Government facilities to ensure the County's existing infrastructure remains sound. The maintenance of existing infrastructure must be funded even in these difficult economic times. Although many other projects are also needed, funding constraints

necessitate only the highest priority projects be recommended for funding in FY2011-12.

The Capital Improvement Program provides for the orderly and systematic financing and acquisition of public improvements. It also provides information for the individual taxpayer, neighborhood councils, and other civic groups interested in the County's development plan; a statement of intention for Federal and State agencies who provide grants-in-aid to the County; and a source of information for potential investors who may purchase municipal securities. By projecting and scheduling capital improvements in advance of actual needs, the County obtains several advantages.

1. Reduction of the need for "crash programs" to finance the construction of County facilities.
2. Budgeting takes place within a system, which assures capital projects will be built according to a predetermined priority system while planning in advance for revenue needed to finance and complete these capital projects.
3. Advance planning ensures projects are well thought out in advance of construction.
4. It permits major purchases to be scheduled in conjunction with favorable market conditions.
5. Coordination with the operating budget is ensured. An important aspect of capital improvement planning is the affect capital expenditures have upon the annual operating cost of the County. When a new facility is established, it must be maintained and staffed, and obligations, which begin when it is made operational, will become continuous. Within the Approved FY2011-12 Operating budget, all operating costs arising from current and previously approved capital projects that are becoming operational have been accounted for through a crosswalk analysis that is updated annually.

The majority of funding for CIP projects typically comes from two major sources: long-term borrowing (General Obligation bonds) and current revenues

Capital Improvement Program (cont'd)

(pay-as-you-go financing). The operating budget is the primary mechanism through which current revenues are appropriated to capital projects.

Other sources of financing can include State Construction grants, State Lottery funds, State Transportation funds, State Wireless E-911 funds, and Enterprise Fund resources. The amount appropriated for capital projects each year is based on the Capital Improvement Program in effect at the time of the development of the capital budget. The

FY2011-12 through FY2015-16 CIP requests of \$1,902,462,719 represents a decrease of \$219,630,603 over the current FY2010-11 through FY2014-15 CIP of \$2,122,093,322. These needs are put forward by Departments, and prioritized by the Departments over the five-year period. The approved Capital Budget for FY2011-12 funds \$141,409,173 in the first year of the CIP.

The revenue sources approved for the FY2011-12 Capital budget are as follows:

<u>Revenue Sources:</u>	<u>Approved FY2011-12</u>
Capital Projects Fund:	
General Fund Operating Budget Transfers:	
General Fund Revenue	\$ 5,000,000
Motor Vehicle License Fee Revenue - Public Works	850,000
General Obligation Bonds - Education - 2005	22,931,208
General Obligation Bonds - General Government - 2005	10,350,000
Landfill Revenue	<u>1,450,000</u>
Subtotal - Capital Projects Fund	40,581,208
Enterprise Fund:	
Water and Sewer Revenues	<u>100,827,965</u>
Subtotal - Enterprise Fund	100,827,965
 Total Capital Budget Revenues	 <u><u>\$ 141,409,173</u></u>

Capital Improvement Program Calendar

Capital Improvement Program (CIP) preparation requires careful scheduling so the responsible officials are given adequate time and complete information to make sound program decisions. The large volume of data to be compiled into a clear, concise project request, requires the steps in the budget-making process be taken in scheduled and logical sequence. The Capital Improvement Program calendar provides, in chronological order, the key dates set each year to ensure prompt and efficient preparation and adoption of the Capital Budget:

MIDDLE OF JULY - Call for CIP estimates, calendar of dates, and other related information sent to departments.

FIRST WEEK OF SEPTEMBER - Deadline for submission of CIP requests to the Office of Management and Budget.

FIRST WEEK OF OCTOBER - Office of Management and Budget briefs CIP Review Committee and County Manager on status of CIP requests.

FOURTH WEEK OF NOVEMBER - Office of Management and Budget furnishes CIP Review Committee with details and summaries of departmental CIP requests.

SECOND WEEK OF DECEMBER - The County Manager and the CIP Review Committee conducts executive reviews with departments.

MIDDLE OF JANUARY - The County Manager and the CIP Review Committee submits the CIP and recommended Capital Budget to the Planning Commission.

MIDDLE OF JANUARY - Planning Commission announces a public hearing on the CIP for middle of February.

MIDDLE OF FEBRUARY - Planning Commission conducts public hearing and submits comments on CIP to the County Manager.

SECOND WEEK OF APRIL - Board of Supervisors conducts public hearing on the proposed Capital Budget.

LAST WEEK OF APRIL - Board of Supervisors adopts Capital Budget.

County of Henrico, Virginia
Approved Capital Budget
FY2011-12

Project Number	Project Name	Approved FY2011-12
Fund 21 Capital Projects Fund		
<u>General Fund Revenue</u>		
00518	Roof Replacements - Education	\$ 500,000
00527	Mechanical Improvements - Education	2,000,000
	Subtotal - Education	<u>\$ 2,500,000</u>
06463	Building Maintenance Area Safety Improvements	\$ 175,000
00423	Pavement Rehabilitation - General Government	200,000
06632	Card Access System - Panel Upgrade	164,000
	Subtotal - General Services	<u>\$ 539,000</u>
06481	Information Technology Projects	\$ 750,000
06627	Network/VOIP	750,000
	Subtotal - Information Technology	<u>\$ 1,500,000</u>
00429	Geographic Information System	\$ 150,000
	Subtotal - Public Works - GIS	<u>\$ 150,000</u>
06194	Facility Rehabilitation	\$ 311,000
	Subtotal - Recreation and Parks	<u>\$ 311,000</u>
	Subtotal - General Fund Revenue	<u>\$ 5,000,000</u>
<u>General Fund Revenue - Public Works (Motor Vehicle License Fee)</u>		
00499	General Road Construction	\$ 800,000
00486	New Guardrails	50,000
	Subtotal - General Fund Revenue - Public Works	<u>\$ 850,000</u>
<u>Landfill Revenue</u>		
06392	Springfield Road Landfill Transfer Station	\$ 1,350,000
01179	Charles City Road Landfill Improvements	50,000
01150	Springfield Road Landfill Public Use Improvements	50,000
	Subtotal - Landfill Revenue	<u>\$ 1,450,000</u>

County of Henrico, Virginia
Approved Capital Budget
FY2011-12

Project Number	Project Name	Approved FY2011-12
Fund 21 Capital Projects Fund (Continued)		
<u>G.O. Bonds - Education - 2005</u>		
06301	Pinchbeck ES Renovation	\$ 5,128,787
06397	Education Bond Project Reserve	<u>17,802,421</u>
	Subtotal - Education - G.O. Bonds - 2005	\$ 22,931,208
<u>G.O. Bonds - General - 2005</u>		
06189	Renovate and Expand Fire Station #13	<u>\$ 1,350,000</u>
	Subtotal - Fire	\$ 1,350,000
06271	Dumbarton Area Library Replacement	<u>\$ 6,000,000</u>
	Subtotal - Public Library	\$ 6,000,000
06239	Twin Hickory Park	<u>\$ 3,000,000</u>
	Subtotal - Recreation and Parks	\$ 3,000,000
	Subtotal - G.O. Bonds - General - 2005	<u>\$ 10,350,000</u>
	Total - Fund 21 Capital Projects Fund	<u>\$ 40,581,208</u>

County of Henrico, Virginia
Approved Capital Budget
FY2011-12

Project Number	Project Name	Approved FY2011-12
Fund 51 Enterprise Fund - Public Utilities		
<u>Other Local Revenue</u>		
00782	New Sewer Connections	\$ 400,000
00772	Sewer Line Extensions	600,000
00732	Sewer Line Rehabilitation	2,000,000
00743	Sewer Pump Station Improvements	800,000
00737	Sewer Relocations, Adjustments, & Crossings	200,000
00725	Plan Review and Inspection	1,800,000
06492	Roof Replacement	50,000
01076	Strawberry Hill Basin Sewer Rehab	4,200,000
06135	River Road Basin Sewer Rehabilitation	253,965
00747	Lakeside to Strawberry Hill SPS FEP	25,739,000
	Subtotal - Sewer	\$ 36,042,965
<u>Other Local Revenue</u>		
00771	New Water Connections	\$ 200,000
00770	Water Line Extensions	500,000
00768	Water Line Rehabilitation	2,000,000
00769	Water Pumping Station Improvements	75,000
00780	Water Meters	325,000
00767	Water Relocations, Adjustments, & Crossings	200,000
00811	Information Technology Projects	500,000
00776	Water Treatment Plant Expansion	3,300,000
06125	Cobbs Creek (Cumberland) Reservoir	56,250,000
00774	Beverly Hills Area Water Rehabilitation	1,035,000
06615	Ridge Water Pressure Zone	400,000
	Subtotal - Water	\$ 64,785,000
Total - Fund 51 Enterprise Fund - Public Utilities		\$ 100,827,965
Total Approved Capital Budget for FY2011-12		\$ 141,409,173

Capital Improvement Program Summary

Fiscal Year 2011-12 through Fiscal Year 2015-16

By Department	Approved FY2011-12	Requested FY2011-12	Requested FY2012-13	Requested FY2013-14	Requested FY2014-15	Requested FY2015-16	Total Requested
Fund 21 Capital Projects Fund							
Customer Relationship Mgmt	0	750,000	900,000	4,576,150	0	0	6,226,150
Education	25,431,208	26,681,208	156,481,367	43,067,615	95,048,642	39,763,481	361,042,313
Fire	1,350,000	12,061,109	22,619,340	20,443,022	7,515,910	11,210,305	73,849,686
General Services	539,000	15,415,356	59,810,482	54,305,295	54,834,657	223,588,352	407,954,142
Information Technology	1,500,000	4,500,000	4,150,000	650,000	0	0	9,300,000
Juvenile Detention Home	0	5,497,423	0	0	0	0	5,497,423
Mental Health	0	80,306	833,268	0	0	0	913,574
Police	0	477,095	0	0	0	0	477,095
Public Library	6,000,000	7,375,015	34,262,905	0	44,125,377	0	85,763,297
Public Utilities - Landfill	1,450,000	1,450,000	0	0	0	0	1,450,000
Public Works - Drainage	0	0	16,049,548	14,328,758	22,211,877	20,228,949	72,819,132
Public Works - GIS	150,000	300,000	300,000	300,000	300,000	300,000	1,500,000
Public Works - Roadway	850,000	10,795,545	3,235,611	850,000	850,000	850,000	16,581,156
Recreation	3,311,000	19,973,425	86,158,904	53,807,251	34,373,524	59,512,806	253,825,910
Registrar	0	500,000	0	0	0	0	500,000
Sheriff	0	4,594,507	1,218,693	37,051,687	0	0	42,864,887
Total	40,581,208	110,450,989	386,020,118	229,379,778	259,259,987	355,453,893	1,340,564,765
Fund 51 Enterprise Fund							
Public Utilities - Sewer	36,042,965	36,042,965	28,698,669	21,210,791	71,756,340	35,027,075	192,735,840
Public Utilities - Water	64,785,000	64,785,000	11,556,000	20,300,000	12,674,440	257,388,500	366,703,940
Total	100,827,965	100,827,965	40,254,669	41,510,791	84,430,780	292,415,575	559,439,780
Fund 52 Enterprise Fund							
Recreation	0	0	72,600	671,748	431,417	1,282,409	2,458,174
Total	0	0	72,600	671,748	431,417	1,282,409	2,458,174
Grand Total	141,409,173	211,278,954	426,347,387	271,562,317	344,122,184	649,151,877	1,902,462,719
By Revenue Source	Approved FY2011-12	Requested FY2011-12	Requested FY2012-13	Requested FY2013-14	Requested FY2014-15	Requested FY2015-16	Total Requested
Fund 21 Capital Projects Fund							
General Fund	5,000,000	8,742,173	7,673,538	6,131,699	4,272,587	3,805,756	30,625,753
General Fund - Public Works	850,000	850,000	850,000	850,000	850,000	850,000	4,250,000
G.O. Bonds - Education - 2005	22,931,208	22,931,208	0	0	0	0	22,931,208
G.O. Bonds - Gen Gov't - 2005	10,350,000	10,350,000	35,700,000	0	0	0	46,050,000
Landfill Revenue	1,450,000	1,450,000	0	0	0	0	1,450,000
No Funding Source	0	66,127,608	341,796,580	222,398,079	254,137,400	350,798,137	1,235,257,804
Total	40,581,208	110,450,989	386,020,118	229,379,778	259,259,987	355,453,893	1,340,564,765
Fund 51 Enterprise Fund							
Enterprise Fund	100,827,965	100,827,965	40,254,669	41,510,791	84,430,780	292,415,575	559,439,780
Total	100,827,965	100,827,965	40,254,669	41,510,791	84,430,780	292,415,575	559,439,780
Fund 52 Enterprise Fund							
Enterprise Fund	0	0	72,600	671,748	431,417	1,282,409	2,458,174
Total	0	0	72,600	671,748	431,417	1,282,409	2,458,174
Grand Total	141,409,173	211,278,954	426,347,387	271,562,317	344,122,184	649,151,877	1,902,462,719

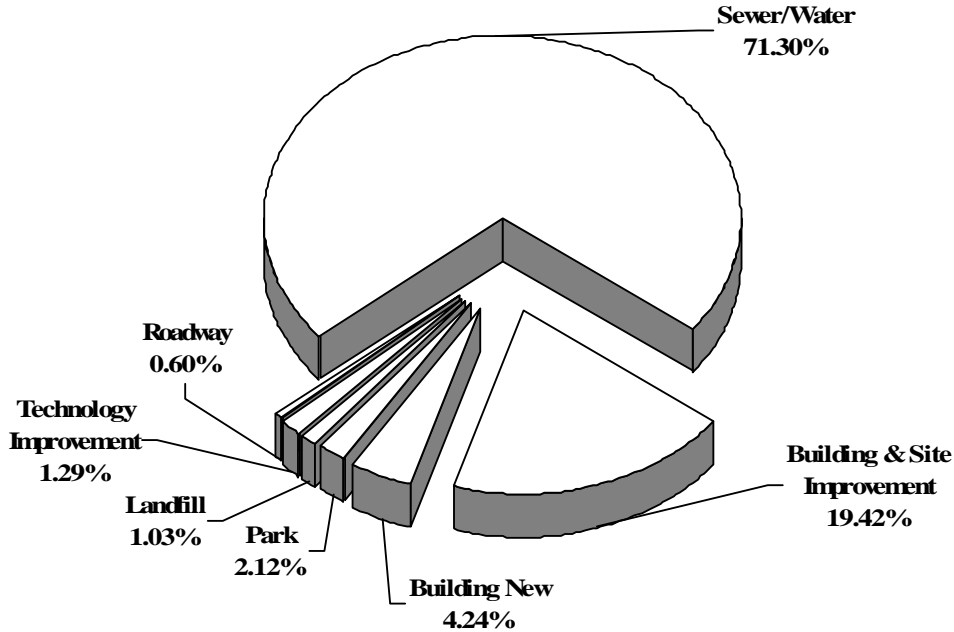
Capital Improvement Program Summary

Fiscal Year 2011-12 through Fiscal Year 2015-16

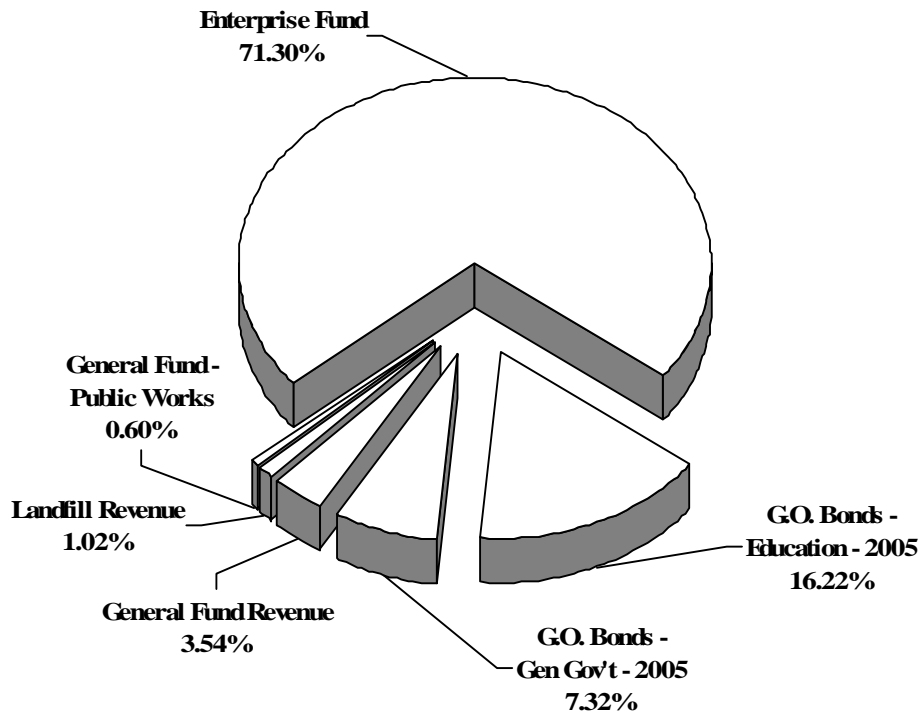
By Project Type	Approved FY2011-12	Requested FY2011-12	Requested FY2012-13	Requested FY2013-14	Requested FY2014-15	Requested FY2015-16	Total Requested
Fund 21 Capital Projects Fund							
Building (New)	6,000,000	26,188,052	194,370,364	79,982,969	89,125,562	154,133,641	543,800,588
Building Addition	0	5,497,423	10,879,693	1,996,845	15,020,751	0	33,394,712
Building Improvement	26,956,208	42,492,290	83,696,981	60,743,944	95,959,171	20,853,437	303,745,823
Drainage	0	0	16,049,548	14,328,758	22,211,877	20,228,949	72,819,132
Feasibility/Programming Study	0	442,440	14,414,461	10,229,490	0	70,030,811	95,117,202
Land	0	3,765,250	33,145,639	2,085,145	5,592,135	16,274,340	60,862,509
Landfill	1,450,000	1,450,000	0	0	0	0	1,450,000
Park	3,000,000	3,000,000	10,867,790	38,407,358	15,458,075	23,353,992	91,087,215
Roadway	850,000	9,000,579	3,235,611	850,000	850,000	850,000	14,786,190
Site Improvement	511,000	10,901,659	14,010,031	15,229,119	14,742,416	12,428,723	67,311,948
Technology Improvement	1,814,000	7,713,296	5,350,000	5,526,150	300,000	37,300,000	56,189,446
Total	40,581,208	110,450,989	386,020,118	229,379,778	259,259,987	355,453,893	1,340,564,765
Fund 51 Enterprise Fund							
Sewer	36,042,965	36,042,965	28,698,669	21,210,791	71,756,340	35,027,075	192,735,840
Water	64,785,000	64,785,000	11,556,000	20,300,000	12,674,440	257,388,500	366,703,940
Total	100,827,965	100,827,965	40,254,669	41,510,791	84,430,780	292,415,575	559,439,780
Fund 52 Enterprise Fund							
Golf Course	0	0	72,600	671,748	431,417	1,282,409	2,458,174
Total	0	0	72,600	671,748	431,417	1,282,409	2,458,174
Grand Total	141,409,173	211,278,954	426,347,387	271,562,317	344,122,184	649,151,877	1,902,462,719

Approved FY2011-12 Capital Budget \$141,409,173

By Project Type



By Funding Source



CAPITAL PROJECTS BY DEPARTMENT FY2011-12

EDUCATION **\$ 25,431,208**

Projects that will be funded through the issuance of 2005 General Obligation (G.O.) Bonds, which County voters approved in March 2005, includes \$5,128,787 for the construction funding of the renovation of Pinchbeck Elementary School. In addition, \$17,802,421 is included in the approved budget for an Education Bond Project Reserve. The funding being allocated to the reserve was originally requested for projects that included only land, planning, and/or partial renovation costs within the \$220,000,000 approved by the citizens in the March 2005 Referendum for Education projects. Since the projects only have partial funding, the prudent decision is to propose placing these funds into a reserve for future allocation. General Fund revenue of \$2,500,000 will support ongoing projects related to school roof replacements and mechanical systems improvements.

FIRE **\$ 1,350,000**

Funding of \$1,350,000 provided through the issuance of 2005 General Obligation (G.O.) Bonds will allow for the renovation and expansion of Fire Station #13.

GENERAL SERVICES **\$ 539,000**

General Fund revenue will support the card access system panel upgrade - \$164,000, building maintenance area safety improvements - \$175,000, and various pavement rehabilitation projects - \$200,000.

INFORMATION TECHNOLOGY **\$ 1,500,000**

Funding of \$1,500,000 will support various information technology hardware and software upgrades, allow for improvements to the County's data network, and provide support for the replacement of the County's telephone system to a VOIP solution.

PUBLIC LIBRARY **\$ 6,000,000**

Funding of \$6,000,000 provided through the issuance of 2005 General Obligation (G.O.) Bonds will allow for the planning and land costs associated with the replacement of the Dumbarton Area Library.

PUBLIC UTILITIES - LANDFILL **\$ 1,450,000**

Landfill revenues of \$1,450,000 will support three projects, two of which are associated with the Springfield Road Landfill and involve the design of site improvements at the public use drop off area and the construction of a transfer station. The third project involves design of site improvements at the public use drop off area for the Charles City Road Landfill.

PUBLIC WORKS - GIS **\$ 150,000**

General Fund revenue of \$150,000 is included for the Geographical Information System (GIS) to continue the accumulation of funds in order to fly over the County on a routine basis.

PUBLIC WORKS - ROADWAY **\$ 850,000**

Funding of \$850,000 in General Fund revenue generated by the Motor Vehicle License Tax will provide \$800,000 for general road construction and \$50,000 for new guardrails.

RECREATION AND PARKS **\$ 3,311,000**

Funding of \$3,000,000 provided through the issuance of 2005 General Obligation (G.O.) Bonds will allow for the development of Twin Hickory Park. General Fund revenue of \$311,000 will provide for facility rehabilitation projects at various County parks.

SEWER**\$ 36,042,965**

Projects that will be funded by revenues from the use of sewer services include \$25,739,000 for the Lakeside to Strawberry Hill Sewer Pump Station, \$4,200,000 for the Strawberry Hill Basin Sewer Rehabilitation, and \$253,965 for the River Road Basin Sewer Rehabilitation. In addition, funding of \$5,850,000 is also included for sewer line rehabilitation, new sewer connections, extension of the existing sewer system, preventive maintenance of various sewer pump stations, capital project plan review and inspection activities, a roof replacement project, and various sewer relocations, adjustments, and crossings projects.

WATER**\$ 64,785,000**

Projects that will be funded by revenues from the use of water services include \$56,250,000 for the Cobbs Creek (Cumberland) Reservoir, \$3,300,000 for the Water Treatment Plant expansion, \$1,035,000 for the Beverly Hills Area Water Rehabilitation, \$400,000 for the Ridge Water Pressure Zone, and \$500,000 for various information technology projects. Additionally, funding of \$3,300,000 is also included for miscellaneous water extensions, new water connections, new water meters, water line rehabilitation, water pumping station improvements, and various water relocations, adjustments, and crossings projects.

Capital Improvement Program FY2011-12 through FY2015-16
Fund 21 Capital Projects Fund - Department Requests by Fiscal Year and Priority Number

Project	Priority	Project Type	Source	District	Approved FY11-12	Request FY11-12	Request FY12-13	Request FY13-14	Request FY14-15	Request FY15-16	Total Five Year
Customer Relationship Management											
06506	Customer Relationship Management	1	Technology Improvement	General Government	0	750,000	900,000	4,576,150	0	0	6,226,150
Department Subtotal					0	750,000	900,000	4,576,150	0	0	6,226,150
Education											
06397	Education Bond Project Reserve	1	Building Improvement	Countywide	17,802,421	0	0	0	0	0	0
00518	Roof Replacements	1	Building Improvement	Countywide	500,000	500,000	500,000	500,000	500,000	500,000	2,500,000
00527	Mechanical Improvements	2	Building Improvement	Countywide	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	10,000,000
06611	Athletic Facility Improvements	3	Site Improvement	Countywide	0	500,000	500,000	500,000	500,000	500,000	2,500,000
06612	Parking, Sidewalk and Curbing Improvements	4	Site Improvement	Countywide	0	750,000	750,000	750,000	750,000	750,000	3,750,000
06302	A. Henrico HS Renovation	5	Building Improvement	Fairfield	0	16,402,421	0	0	0	0	16,402,421
06301	Pinchbeck ES Renovation	6	Building Improvement	Tuckahoe	5,128,787	5,128,787	0	0	0	0	5,128,787
06296	East Area Middle #2	7	Building (New)	Varina	0	700,000	0	0	0	0	700,000
06305	B. Pemberton ES Renovation	8	Building Improvement	Tuckahoe	0	700,000	0	0	0	0	700,000
16302	A. Henrico HS Renovation	1	Building Improvement	Fairfield	0	0	33,601,449	0	0	0	33,601,449
16305	B. Pemberton ES Renovation	2	Building Improvement	Tuckahoe	0	0	10,562,517	0	0	0	10,562,517
06304	Crestview ES Renovation	3	Building Improvement	Three Chopt	0	0	1,112,022	11,341,388	0	0	12,453,410
06303	East Area HS #2	4	Building (New)	Varina	0	0	93,212,321	0	0	0	93,212,321
06538	Skipwith ES Renovation	5	Building Improvement	Three Chopt	0	0	14,243,058	0	0	0	14,243,058
06388	Tucker HS Renovation	1	Building Improvement	Three Chopt	0	0	0	8,046,026	48,543,112	0	56,589,138
06479	Tuckahoe MS Renovation	2	Building Improvement	Three Chopt	0	0	0	5,063,987	27,618,769	0	32,682,756
06539	Seven Pines ES Renovation	3	Building Improvement	Varina	0	0	0	14,866,214	0	0	14,866,214
06541	Chamberlayne ES Renovation	1	Building Improvement	Fairfield	0	0	0	0	15,136,761	0	15,136,761
06484	Glen Allen HS Technical Center	1	Building (New)	Brookland	0	0	0	0	0	0	0
06545	Tuckahoe ES - 5th Grade & Audit. Renov.	2	Building Improvement	Tuckahoe	0	0	0	0	0	32,363,309	32,363,309
Department Subtotal					25,431,208	26,681,208	156,481,367	43,067,615	95,048,642	39,763,481	361,042,313

A. Henrico HS Renovation has two funding sources. The G.O. Bond portion, \$16,402,421, is for the planning and design as well as partial construction and the no funding source portion, \$33,601,449, is for the remaining construction and furnishings.

B. Pemberton ES Renovation has two funding sources. The G.O. Bond portion, \$700,000, is for the planning and design and the no funding source portion, \$10,562,517, is for the remaining planning and design, site improvements, construction, and furnishings.

Fire											
06189	Renovate and Expand F/S #13	1	Building Improvement	Tuckahoe	1,350,000	1,350,000	0	0	0	0	1,350,000
06168	NW Fire Station #19 - Land Purchase	2	Land	Three Chopt	0	704,500	0	0	0	0	704,500
06531	Fire Headquarters Building	3	Building (New)	General Government	0	8,416,208	0	0	0	0	8,416,208
06468	Fire Station #1 - Land Purchase	4	Land	Fairfield	0	588,531	0	0	0	0	588,531
06170	Fire Station #6 - Land Purchase	5	Land	Varina	0	313,103	0	0	0	0	313,103
06171	Osborne Turnpike FS - Land Purchase	6	Land	Varina	0	465,313	0	0	0	0	465,313
06623	Osborne Boathouse	7	Building (New)	Varina	0	223,454	0	0	0	0	223,454
06366	Fire Station #1 - Construction	1	Building (New)	Fairfield	0	0	7,747,307	0	0	0	7,747,307
06177	Fire Station #6 - Construction	2	Building (New)	Varina	0	0	7,761,901	0	0	0	7,761,901
06532	Fire Training Facility - Construction	3	Building (New)	General Government	0	0	6,798,511	0	0	0	6,798,511
06528	Fire Station #11 - Land Purchase	4	Land	Fairfield	0	0	311,621	0	0	0	311,621
06518	Fire Station #4 - Land Purchase	1	Land	Varina	0	0	0	197,231	0	0	197,231
06529	Fire Station #11 - Construction	2	Building (New)	Fairfield	0	0	0	8,032,037	0	0	8,032,037
06178	Osborne Turnpike FS - Construction	3	Building (New)	Varina	0	0	0	10,325,840	0	0	10,325,840
06185	Staples Mill Road FS - Land Purchase	4	Land	Brookland	0	0	0	1,887,914	0	0	1,887,914
06519	Fire Station #4 - Construction	1	Building (New)	Varina	0	0	0	7,031,566	0	0	7,031,566
06520	Wilton Farms FS - Land Purchase	2	Land	Varina	0	0	0	280,922	0	0	280,922
06522	Portage Road FS - Land Purchase	3	Land	Varina	0	0	0	203,422	0	0	203,422
06190	Staples Mill Fire Station - Construction	1	Building (New)	Brookland	0	0	0	0	0	9,537,303	9,537,303

Capital Improvement Program FY2011-12 through FY2015-16
Fund 21 Capital Projects Fund - Department Requests by Fiscal Year and Priority Number

Project	Source	District	Approved FY11-12	Request FY11-12	Request FY12-13	Request FY13-14	Request FY14-15	Request FY15-16	Total Five Year
06363 North Gayton Fire Station-Land Purchase	No Funding Source	Three Chopt	0	0	0	0	0	1,464,716	1,464,716
06524 Elko Road Fire Station - Land Purchase	No Funding Source	Varina	0	0	0	0	0	208,286	208,286
Department Subtotal									
			1,350,000	12,061,109	22,619,340	20,443,022	7,515,910	11,210,305	73,849,686
General Services									
06463 Building Maint. Area Safety Improvements	General Fund	General Government	175,000	227,483	0	0	0	0	227,483
00572 Mechanical Improvements	No Funding Source	General Government	0	514,325	479,754	500,000	500,000	500,000	2,494,079
00425 Roof Replacement and Rehabilitation	No Funding Source	General Government	0	445,429	491,670	649,250	669,631	685,643	2,941,623
00423 Pavement Rehabilitation	General Fund	General Government	200,000	295,632	223,691	248,720	218,650	343,220	1,329,913
06625 Building Automation Systems Upgrade	No Funding Source	General Government	0	3,724,043	0	0	0	0	3,724,043
06624 Fuel Storage Tank Monitoring Upgrades	No Funding Source	General Government	0	606,405	0	0	0	0	606,405
06368 Administration Building HVAC Upgrade	No Funding Source	General Government	0	865,558	6,326,682	0	0	0	7,192,240
06460 Communications System Replacement	No Funding Source	General Government	0	1,500,000	0	0	0	37,000,000	38,500,000
06632 Card Access System - Panel Upgrade	General Fund	General Government	164,000	163,296	0	0	0	0	163,296
06102 Government Center Expansion - Admin. & Warehouse	No Funding Source	General Government	0	3,963,941	23,795,807	0	712,540	0	28,472,288
06089 Backup EOC & Data Center	No Funding Source	General Government	0	1,616,218	0	0	0	0	1,616,218
06088 Vulnerability Implementation	No Funding Source	General Government	0	462,428	1,166,095	151,392	0	0	1,779,915
06376 Gen. Government Svcs. East End Study	No Funding Source	General Government	0	362,134	14,343,325	10,229,490	0	70,030,811	94,965,760
06094 Government Center Land Utilization Plan	No Funding Source	General Government	0	523,501	0	0	0	0	523,501
00377 DGS Environmental Fund	No Funding Source	General Government	0	50,000	0	0	0	0	50,000
06573 Admin Entry Walk Improvements	No Funding Source	General Government	0	94,963	131,407	0	0	0	226,370
01198 Energy Management	No Funding Source	General Government	0	0	756,803	783,142	807,725	827,040	3,174,710
06096 Human Services Building Renovation	No Funding Source	General Government	0	2,067,413	0	16,507,541	0	0	18,574,954
06486 Circuit Courtroom #6	No Funding Source	General Government	0	0	1,727,980	0	0	0	1,727,980
06512 Juvenile Courts 6th Courtroom Build-out	No Funding Source	General Government	0	593,098	0	0	0	0	593,098
06103 East End Depot	No Funding Source	General Government	0	5,473,976	4,847,769	47,246,966	0	0	57,568,711
06101 Locking Systems	No Funding Source	General Government	0	0	276,300	0	0	0	276,300
06091 Gov't Cntr Exterior Lights, Phase III, IV	No Funding Source	General Government	0	692,876	662,355	0	0	0	1,355,231
06104 Admin Bldg/Remaining Renovation	No Funding Source	General Government	0	0	1,263,605	0	0	0	1,263,605
06105 New Courts Complex Facility	No Funding Source	General Government	0	0	0	16,617,406	4,679,145	109,618,191	130,914,742
06370 CAM Fuel Site - North West	No Funding Source	General Government	0	0	0	3,108,230	0	0	3,108,230
06533 Courthouse Renovations	No Funding Source	General Government	0	0	0	0	0	4,583,447	4,583,447
Department Subtotal									
			539,000	15,415,356	59,810,482	54,305,295	54,834,657	223,588,352	407,954,142
Information Technology									
06481 Information Technology Projects	General Fund	General Government	750,000	1,000,000	650,000	650,000	0	0	2,300,000
06627 Network/VOIP	General Fund	General Government	750,000	3,500,000	3,500,000	0	0	0	7,000,000
Department Subtotal									
			1,500,000	4,500,000	4,150,000	650,000	0	0	9,300,000
Juvenile Detention Home									
06616 JDH Renovations & Classroom Additions	No Funding Source	General Government	0	5,497,423	0	0	0	0	5,497,423
Department Subtotal									
			0	5,497,423	0	0	0	0	5,497,423
Mental Health									
06568 Feasibility Study to Expand/Replace East Center	No Funding Source	General Government	0	80,306	0	0	0	0	80,306
06577 East Center Expansion Land Purchase	No Funding Source	General Government	0	0	762,132	0	0	0	762,132
06571 Feasibility Study to Expand Woodman Rd	No Funding Source	General Government	0	0	71,136	0	0	0	71,136
Department Subtotal									
			0	80,306	833,268	0	0	0	913,574

Capital Improvement Program FY2011-12 through FY2015-16
Fund 21 Capital Projects Fund - Department Requests by Fiscal Year and Priority Number

Project	Priority	Project Type	Source	District	Approved FY11-12	Request FY11-12	Request FY12-13	Request FY13-14	Request FY14-15	Request FY15-16	Total Five Year
Police											
06610	1	Communications Training Room	No Funding Source	General Government	0	477,095	0	0	0	0	477,095
Department Subtotal					0	477,095	0	0	0	0	477,095
Public Library											
06271	1	Dumbarton Area Library Replacement	G.O. Bonds - Gen Gov't - 2005	Brookland	6,000,000	6,000,000	16,000,000	0	0	0	22,000,000
06258	2	Fairfield Area Library - Land Purchase	No Funding Source	Fairfield	0	1,170,302	0	0	0	0	1,170,302
06630	3	Library Security Cameras & Equipment Purchase	No Funding Source	Countywide	0	204,713	0	0	0	0	204,713
06272	1	Varina Area Library	G.O. Bonds - Gen Gov't - 2005	Varina	0	0	16,700,000	0	0	0	16,700,000
06259	2	Library Headquarters Alteration	No Funding Source	General Government	0	0	1,562,905	0	0	0	1,562,905
06274	1	Fairfield Area Library Replacement	No Funding Source	Fairfield	0	0	0	29,104,626	0	0	29,104,626
06261	2	Twin Hickory Library Expansion	No Funding Source	Three Chopt	0	0	0	15,020,751	0	0	15,020,751
Department Subtotal					6,000,000	7,375,015	34,262,905	0	44,125,377	0	85,763,297
Public Utilities - Landfill											
06392	1	Springfield Rd Landfill Transfer Station	Landfill Revenue	Three Chopt	1,350,000	1,350,000	0	0	0	0	1,350,000
01179	2	Charles City Road Landfill Improvements	Landfill Revenue	Varina	50,000	50,000	0	0	0	0	50,000
01150	3	Springfield Road Landfill Public Use Improvements	Landfill Revenue	Three Chopt	50,000	50,000	0	0	0	0	50,000
Department Subtotal					1,450,000	1,450,000	0	0	0	0	1,450,000
Public Works - Drainage											
06000	1	Beverly Drive/Dinwiddie Ave. Drainage	No Funding Source	Tuckahoe	0	0	1,012,347	0	0	0	1,012,347
06001	2	Borden Road Drainage	No Funding Source	Tuckahoe	0	0	184,122	0	0	0	184,122
06002	3	Barribee Lane	No Funding Source	Three Chopt	0	0	825,753	0	0	0	825,753
06003	4	River Road Hills Drainage	No Funding Source	Tuckahoe	0	0	355,191	0	0	0	355,191
06004	5	Rolando Drive	No Funding Source	Tuckahoe	0	0	1,106,903	0	0	0	1,106,903
06005	6	Lafayette/Linbrook/Lincoln Drainage	No Funding Source	Brookland	0	0	2,796,236	0	0	0	2,796,236
06006	7	Huntsman Road Drainage Channel	No Funding Source	Varina	0	0	2,275,208	0	0	0	2,275,208
06007	8	Glendale Drive Drainage	No Funding Source	Tuckahoe	0	0	646,542	0	0	0	646,542
06008	9	East Rois Road	No Funding Source	Fairfield	0	0	777,867	0	0	0	777,867
06009	10	Linda Road Drainage	No Funding Source	Varina	0	0	268,733	0	0	0	268,733
06010	11	Henderson Drainage	No Funding Source	Brookland	0	0	288,901	0	0	0	288,901
06011	12	Thomas Drive to Chickahominy Avenue	No Funding Source	Fairfield	0	0	535,416	0	0	0	535,416
06012	13	Westham Parkway Channel	No Funding Source	Tuckahoe	0	0	1,921,351	0	0	0	1,921,351
06013	14	Homeview Dr - Broad to Parham Drainage	No Funding Source	Three Chopt	0	0	937,542	0	0	0	937,542
06014	15	Ginter Street Drainage	No Funding Source	Fairfield	0	0	1,038,506	0	0	0	1,038,506
06015	16	Michael/Fordson Drainage	No Funding Source	Three Chopt	0	0	390,838	0	0	0	390,838
06017	17	Lochaven Drainage	No Funding Source	Varina	0	0	202,319	0	0	0	202,319
06018	18	Midway Rd - Michaux La Drainage	No Funding Source	Tuckahoe	0	0	239,822	0	0	0	239,822
06019	19	3000 Block Carlton Road Drainage	No Funding Source	Fairfield	0	0	245,951	0	0	0	245,951
06020	1	Falmouth Street	No Funding Source	Brookland	0	0	562,925	0	0	0	562,925
06021	2	Lakewood Road Drainage	No Funding Source	Brookland	0	0	1,072,300	0	0	0	1,072,300
06022	3	Woodley Road	No Funding Source	Three Chopt	0	0	753,846	0	0	0	753,846
06023	4	Brookside Road - Westham	No Funding Source	Tuckahoe	0	0	1,915,673	0	0	0	1,915,673
06024	5	Huntsman Road Storm Sewer	No Funding Source	Varina	0	0	1,379,025	0	0	0	1,379,025
06025	6	Hungary Road/North Run Drainage	No Funding Source	Fairfield	0	0	559,591	0	0	0	559,591
06026	7	Chamberlayne Avenue Drainage	No Funding Source	Fairfield	0	0	1,469,893	0	0	0	1,469,893
06027	8	7102 Walford Avenue	No Funding Source	Three Chopt	0	0	144,592	0	0	0	144,592
06028	9	Chamberlayne Avenue/Serafin Lane	No Funding Source	Fairfield	0	0	734,615	0	0	0	734,615
06029	10	Landsworth Avenue Drainage	No Funding Source	Fairfield	0	0	1,362,150	0	0	0	1,362,150
06030	11	Eastover Gardens, Phase II	No Funding Source	Varina	0	0	502,034	0	0	0	502,034

**Capital Improvement Program FY2011-12 through FY2015-16
Fund 21 Capital Projects Fund - Department Requests by Fiscal Year and Priority Number**

Project	Priority	Project Type	Source	District	Approved FY11-12	Request FY11-12	Request FY12-13	Request FY13-14	Request FY14-15	Request FY15-16	Total Five Year
06031	12	Drainage	No Funding Source	Varina	0	0	0	785,240	0	0	785,240
06032	13	Drainage	No Funding Source	Tuckahoe	0	0	0	613,516	0	0	613,516
06034	14	Drainage	No Funding Source	Varina	0	0	0	248,812	0	0	248,812
06035	15	Drainage	No Funding Source	Varina	0	0	0	234,945	0	0	234,945
06036	16	Drainage	No Funding Source	Three Chopt	0	0	0	245,424	0	0	245,424
06037	17	Drainage	No Funding Source	Tuckahoe	0	0	0	419,746	0	0	419,746
06038	18	Drainage	No Funding Source	B, F	0	0	0	484,198	0	0	484,198
06039	19	Drainage	No Funding Source	Three Chopt	0	0	0	840,233	0	0	840,233
06040	1	Drainage	No Funding Source	Fairfield	0	0	0	339,072	0	0	339,072
06041	2	Drainage	No Funding Source	Tuckahoe	0	0	0	549,363	0	0	549,363
06042	3	Drainage	No Funding Source	Varina	0	0	0	3,801,374	0	0	3,801,374
06043	4	Drainage	No Funding Source	Brookland	0	0	0	1,104,243	0	0	1,104,243
06044	5	Drainage	No Funding Source	Varina	0	0	0	1,546,755	0	0	1,546,755
06045	6	Drainage	No Funding Source	Fairfield	0	0	0	580,257	0	0	580,257
06046	7	Drainage	No Funding Source	Tuckahoe	0	0	0	1,220,994	0	0	1,220,994
06047	8	Drainage	No Funding Source	Brookland	0	0	0	890,961	0	0	890,961
06048	9	Drainage	No Funding Source	Tuckahoe	0	0	0	1,330,031	0	0	1,330,031
06049	10	Drainage	No Funding Source	Fairfield	0	0	0	1,256,160	0	0	1,256,160
06050	11	Drainage	No Funding Source	B, F	0	0	0	732,526	0	0	732,526
06052	12	Drainage	No Funding Source	Tuckahoe	0	0	0	461,291	0	0	461,291
06053	13	Drainage	No Funding Source	Brookland	0	0	0	4,255,949	0	0	4,255,949
06054	14	Drainage	No Funding Source	Varina	0	0	0	1,011,125	0	0	1,011,125
06055	15	Drainage	No Funding Source	Varina	0	0	0	560,562	0	0	560,562
06056	16	Drainage	No Funding Source	Brookland	0	0	0	561,175	0	0	561,175
06057	17	Drainage	No Funding Source	Fairfield	0	0	0	1,239,523	0	0	1,239,523
06058	18	Drainage	No Funding Source	Varina	0	0	0	527,989	0	0	527,989
06059	19	Drainage	No Funding Source	Three Chopt	0	0	0	242,527	0	0	242,527
06060	1	Drainage	No Funding Source	Tuckahoe	0	0	0	1,063,755	0	0	1,063,755
06061	2	Drainage	No Funding Source	Varina	0	0	0	1,532,522	0	0	1,532,522
06062	3	Drainage	No Funding Source	Three Chopt	0	0	0	969,290	0	0	969,290
06063	4	Drainage	No Funding Source	Varina	0	0	0	735,776	0	0	735,776
06064	5	Drainage	No Funding Source	Brookland	0	0	0	701,169	0	0	701,169
06065	6	Drainage	No Funding Source	Varina	0	0	0	948,480	0	0	948,480
06067	7	Drainage	No Funding Source	Fairfield	0	0	0	799,265	0	0	799,265
06068	8	Drainage	No Funding Source	Tuckahoe	0	0	0	1,195,805	0	0	1,195,805
06069	9	Drainage	No Funding Source	Varina	0	0	0	637,359	0	0	637,359
06070	10	Drainage	No Funding Source	Fairfield	0	0	0	254,250	0	0	254,250
06071	11	Drainage	No Funding Source	Brookland	0	0	0	1,698,334	0	0	1,698,334
06072	12	Drainage	No Funding Source	Brookland	0	0	0	2,337,143	0	0	2,337,143
06073	13	Drainage	No Funding Source	Tuckahoe	0	0	0	3,464,084	0	0	3,464,084
06074	14	Drainage	No Funding Source	Varina	0	0	0	632,354	0	0	632,354
06075	15	Drainage	No Funding Source	Three Chopt	0	0	0	168,960	0	0	168,960
06076	16	Drainage	No Funding Source	Varina	0	0	0	335,801	0	0	335,801
06077	17	Drainage	No Funding Source	Tuckahoe	0	0	0	288,796	0	0	288,796
06078	18	Drainage	No Funding Source	Fairfield	0	0	0	286,586	0	0	286,586
06079	19	Drainage	No Funding Source	Varina	0	0	0	235,428	0	0	235,428
06080	20	Drainage	No Funding Source	Varina	0	0	0	550,727	0	0	550,727
06151	21	Drainage	No Funding Source	Brookland	0	0	0	1,045,758	0	0	1,045,758
06082	22	Drainage	No Funding Source	Three Chopt	0	0	0	221,039	0	0	221,039
06083	23	Drainage	No Funding Source	Varina	0	0	0	126,268	0	0	126,268
Department Subtotal					0	0	16,049,548	14,328,758	22,211,877	20,228,949	72,819,132

**Capital Improvement Program FY2011-12 through FY2015-16
Fund 21 Capital Projects Fund - Department Requests by Fiscal Year and Priority Number**

Project	Priority	Project Type	Source	District	Approved FY11-12	Request FY11-12	Request FY12-13	Request FY13-14	Request FY14-15	Request FY15-16	Total Five Year
Public Works - GIS											
00429	1	Technology Improvement	General Fund	General Government	150,000	300,000	300,000	300,000	300,000	300,000	1,500,000
				Department Subtotal	150,000	300,000	300,000	300,000	300,000	300,000	1,500,000
Public Works - Roadway											
00984	1	Roadway	No Funding Source	Varina	0	2,150,579	0	0	0	0	2,150,579
06613	2	Building Improvement	No Funding Source	General Government	0	1,794,966	0	0	0	0	1,794,966
00499	3	Roadway	General Fund - Public Works	Countywide	800,000	800,000	800,000	800,000	800,000	800,000	4,000,000
00486	4	Roadway	General Fund - Public Works	Countywide	50,000	50,000	50,000	50,000	50,000	50,000	250,000
06582	5	Roadway	No Funding Source	Varina	0	6,000,000	0	0	0	0	6,000,000
00985	1	Roadway	No Funding Source	F, V	0	2,385,611	0	0	0	0	2,385,611
				Department Subtotal	850,000	10,795,545	3,235,611	850,000	850,000	850,000	16,581,156
Recreation											
06239	1	Park	G.O. Bonds - Gen Gov't - 2005	Three Chopt	3,000,000	3,000,000	0	0	0	0	3,000,000
06194	2	Site Improvement	General Fund	Countywide	311,000	755,762	499,847	2,432,979	1,253,937	662,536	5,605,061
06356	3	Building Improvement	No Funding Source	Countywide	0	239,580	296,539	335,004	183,173	393,570	1,447,866
06212	4	Building (New)	No Funding Source	Varina	0	2,359,901	15,661,848	0	0	0	18,021,749
06395	5	Site Improvement	No Funding Source	Fairfield	0	351,102	0	0	0	0	351,102
06203	6	Building Improvement	No Funding Source	Fairfield	0	1,235,805	0	0	0	0	1,235,805
06215	7	Building (New)	No Funding Source	Brookland	0	255,041	0	0	0	0	255,041
06435	8	Site Improvement	No Funding Source	Tuckahoe	0	6,496,851	3,442,038	6,239,791	6,032,738	0	22,211,418
06620	9	Building Improvement	No Funding Source	Countywide	0	1,828,525	0	0	0	0	1,828,525
06436	10	Site Improvement	No Funding Source	Countywide	0	1,657,349	0	0	0	0	1,657,349
06199	11	Building Improvement	No Funding Source	Three Chopt	0	1,793,509	0	0	0	0	1,793,509
06352	1	Site Improvement	G.O. Bonds - Gen Gov't - 2005	Three Chopt	0	0	3,000,000	0	0	0	3,000,000
06208	2	Building Improvement	No Funding Source	Fairfield	0	0	4,669,091	0	0	0	4,669,091
06200	3	Site Improvement	No Funding Source	Varina	0	0	2,110,250	0	0	0	2,110,250
06205	4	Site Improvement	No Funding Source	Fairfield	0	0	984,020	0	0	0	984,020
06214	5	Building Addition	No Funding Source	Varina	0	0	9,075,602	0	0	0	9,075,602
06216	6	Building Addition	No Funding Source	Varina	0	0	1,804,091	0	0	0	1,804,091
06217	7	Site Improvement	No Funding Source	Brookland	0	0	1,675,902	0	0	0	1,675,902
06219	8	Park	No Funding Source	Brookland	0	0	814,926	0	0	10,200,591	11,015,517
06221	9	Land	No Funding Source	Tuckahoe	0	0	9,142,636	0	0	3,390,221	12,532,857
06223	10	Land	No Funding Source	TC, T	0	0	6,096,264	0	0	4,412,971	10,509,235
06225	11	Land	No Funding Source	B, TC, T	0	0	15,235,380	0	0	0	15,235,380
06226	12	Land	No Funding Source	B, F	0	0	1,597,606	0	0	0	1,597,606
06210	13	Park	No Funding Source	Varina	0	0	10,052,864	0	0	0	10,052,864
06227	1	Park	No Funding Source	Fairfield	0	0	0	3,310,639	0	0	3,310,639
06197	2	Site Improvement	No Funding Source	Brookland	0	0	0	3,141,120	0	0	3,141,120
06253	3	Site Improvement	No Funding Source	Brookland	0	0	0	1,254,154	0	0	1,254,154
06255	4	Park	No Funding Source	Fairfield	0	0	0	5,519,810	0	0	5,519,810
06228	5	Park	No Funding Source	Brookland	0	0	0	1,702,701	0	0	1,702,701
06229	6	Park	No Funding Source	Three Chopt	0	0	0	12,536,726	0	0	12,536,726
06230	7	Park	No Funding Source	Varina	0	0	0	4,148,646	0	0	4,148,646
06354	8	Building Addition	No Funding Source	Fairfield	0	0	0	1,996,845	0	0	1,996,845
06218	9	Park	No Funding Source	Varina	0	0	0	2,943,517	0	0	2,943,517
06201	10	Park	No Funding Source	Varina	0	0	0	8,245,319	0	0	8,245,319
06231	1	Park	No Funding Source	Fairfield	0	0	0	3,035,915	0	0	3,035,915
06232	2	Building (New)	No Funding Source	Varina	0	0	0	350,719	2,291,884	0	2,642,603
06202	3	Park	No Funding Source	Varina	0	0	0	10,992,996	0	0	10,992,996

**Capital Improvement Program FY2011-12 through FY2015-16
Fund 21 Capital Projects Fund - Department Requests by Fiscal Year and Priority Number**

Project	Priority	Project Type	Source	District	Approved FY11-12	Request FY11-12	Request FY12-13	Request FY13-14	Request FY14-15	Request FY15-16	Total Five Year
06234	4	Land	No Funding Source	Varina	0	0	0	0	5,107,791	0	5,107,791
06235	5	Park	No Funding Source	Varina	0	0	0	0	1,429,164	0	1,429,164
06236	6	Site Improvement	No Funding Source	Countywide	0	0	0	0	2,476,031	0	2,476,031
06437	7	Site Improvement	No Funding Source	Three Chopt	0	0	0	0	3,511,060	0	3,511,060
06240	1	Park	No Funding Source	Brookland	0	0	0	0	3,001,340	0	3,001,340
06241	2	Site Improvement	No Funding Source	Fairfield	0	0	0	0	1,571,010	0	1,571,010
06256	3	Building (New)	No Funding Source	Brookland	0	0	0	0	322,954	0	322,954
06238	4	Building Improvement	No Funding Source	Fairfield	0	0	0	0	6,267,193	0	6,267,193
06242	5	Land	No Funding Source	Fairfield	0	0	0	0	3,465,201	0	3,465,201
06243	6	Land	No Funding Source	Brookland	0	0	0	0	3,332,945	0	3,332,945
06244	7	Park	No Funding Source	TCC, T	0	0	0	0	5,327,168	0	5,327,168
06245	8	Park	No Funding Source	Tuckahoe	0	0	0	0	4,824,893	0	4,824,893
06336	9	Site Improvement	No Funding Source	Fairfield	0	0	0	0	5,672,380	0	5,672,380
06440	10	Site Improvement	No Funding Source	Varina	0	0	0	0	2,929,577	0	2,929,577
06441	11	Building Improvement	No Funding Source	Fairfield	0	0	0	0	1,446,372	0	1,446,372
Department Subtotal					3,311,000	19,973,425	86,158,904	53,807,251	34,373,524	59,512,806	253,825,910
Registrar											
06516	1	Technology Improvement	No Funding Source	General Government	0	500,000	0	0	0	0	500,000
Department Subtotal					0	500,000	0	0	0	0	500,000
Sheriff											
06386	1	Building (New)	No Funding Source	General Government	0	4,269,507	1,218,693	37,051,687	0	0	42,339,887
06608	2	Building Improvement	No Funding Source	General Government	0	325,000	0	0	0	0	325,000
Department Subtotal					0	4,594,507	1,218,693	37,051,687	0	0	42,864,887
Grand Total - Fund 21					40,581,208	110,450,989	386,020,118	229,379,778	259,259,987	355,453,893	1,340,564,765

**Items in red do not have a funding source identified.*

Capital Improvement Program FY2011-12 through FY2015-16
Fund 51 Enterprise Fund - Public Utility Requests by Fiscal Year and Priority Number

Project	Priority	Project Type	Source	District	Approved FY11-12	Request FY11-12	Request FY12-13	Request FY13-14	Request FY14-15	Request FY15-16	Total Five Year
Public Utilities - Sewer											
00782 New Sewer Connections	1	Sewer	Enterprise Fund	Countywide	400,000	400,000	400,000	400,000	400,000	400,000	2,000,000
00772 Sewer Line Extensions	2	Sewer	Enterprise Fund	Countywide	600,000	600,000	600,000	600,000	600,000	600,000	3,000,000
00732 Sewer Line Rehabilitation	3	Sewer	Enterprise Fund	Countywide	2,000,000	2,000,000	2,000,000	2,000,000	4,000,000	3,000,000	13,000,000
00743 Sewer Pump Station Improvements	4	Sewer	Enterprise Fund	Countywide	800,000	800,000	100,000	100,000	100,000	1,100,000	2,000,000
00737 Sewer Relocations, Adjustments & Crossings	5	Sewer	Enterprise Fund	Countywide	200,000	200,000	200,000	200,000	200,000	200,000	1,000,000
00725 Plan Review and Inspection	6	Sewer	Enterprise Fund	Countywide	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	9,000,000
06492 Roof Replacement	7	Sewer	Enterprise Fund	Countywide	50,000	50,000	50,000	50,000	50,000	50,000	250,000
01076 Strawberry Hill Basin Sewer Rehab	8	Sewer	Enterprise Fund	B, F, TC	4,200,000	4,200,000	3,700,000	3,700,000	4,900,000	6,600,000	23,100,000
06135 River Road Basin Sewer Rehabilitation	9	Sewer	Enterprise Fund	Tuckahoe	253,965	253,965	1,950,450	0	700,000	300,000	3,204,415
00747 Lakeside to Strawberry Hill SPS FEP	10	Sewer	Enterprise Fund	Fairfield	25,739,000	25,739,000	0	0	0	0	25,739,000
00735 Water Reclamation Facility Improvements	1	Sewer	Enterprise Fund	Varina	0	0	4,100,000	0	18,500,000	0	22,600,000
06139 Gillies Creek Basin Sewer Rehabilitation	2	Sewer	Enterprise Fund	F, V	0	0	406,344	507,930	4,300,000	3,200,000	8,414,274
06443 Gambles Mill Sewer FM Vent Facility	3	Sewer	Enterprise Fund	Three Chopt	0	0	5,500,000	0	0	0	5,500,000
06448 Broadwater Creek II SPS Improvements	4	Sewer	Enterprise Fund	Varina	0	0	465,750	1,788,480	0	0	2,254,230
06445 Strawberry Hill SPS Capacity Improv.	5	Sewer	Enterprise Fund	Fairfield	0	0	1,552,500	0	5,458,590	0	7,011,090
06152 Gambles Mill SPS FEB Modification	6	Sewer	Enterprise Fund	Tuckahoe	0	0	4,140,000	0	15,525,000	0	19,665,000
06459 Broadwater Creek I SPS & FEB	7	Sewer	Enterprise Fund	Varina	0	0	1,035,000	0	0	4,547,790	5,582,790
06446 Strawberry Hill FM Creighton Rd Vent Fclty.	8	Sewer	Enterprise Fund	Fairfield	0	0	698,625	0	0	2,649,600	3,348,225
06447 Route 33 To Lakeside Sewer Main	1	Sewer	Enterprise Fund	B, F	0	0	0	8,155,800	0	0	8,155,800
06131 Gambles Mill Basin Sewer Rehabilitation	2	Sewer	Enterprise Fund	TC, T	0	0	0	449,255	600,000	4,400,000	5,449,255
00749 Broadwater Area BWII Sewer Rehab	3	Sewer	Enterprise Fund	Varina	0	0	0	459,326	600,000	600,000	1,659,326
06444 Hungary Road Vent Facility	4	Sewer	Enterprise Fund	Brookland	0	0	0	1,000,000	3,000,000	0	4,000,000
06569 Lakeside Storage Facilities	1	Sewer	Enterprise Fund	Fairfield	0	0	0	0	9,315,000	0	9,315,000
06449 White Oak SPS Improvements	2	Sewer	Enterprise Fund	Varina	0	0	0	0	362,250	1,408,635	1,770,885
06450 White Oak SPS FM	3	Sewer	Enterprise Fund	Varina	0	0	0	0	1,345,500	4,171,050	5,516,550
Sewer Subtotal					36,042,965	36,042,965	28,698,669	21,210,791	71,756,340	35,027,075	192,735,840
Public Utilities - Water											
00771 New Water Connections	1	Water	Enterprise Fund	Countywide	200,000	200,000	200,000	200,000	200,000	200,000	1,000,000
00770 Water Line Extensions	2	Water	Enterprise Fund	Countywide	500,000	500,000	500,000	500,000	500,000	500,000	2,500,000
00768 Water Line Rehabilitation	3	Water	Enterprise Fund	Countywide	2,000,000	2,000,000	2,000,000	2,000,000	6,000,000	7,000,000	19,000,000
00769 Water Pumping Station Improvements	4	Water	Enterprise Fund	Countywide	75,000	75,000	75,000	75,000	750,000	2,700,000	3,675,000
00780 Water Meters	5	Water	Enterprise Fund	Countywide	325,000	325,000	325,000	350,000	350,000	350,000	1,700,000
00767 Water Relocations, Adjustments & Crossings	6	Water	Enterprise Fund	Countywide	200,000	200,000	200,000	200,000	200,000	200,000	1,000,000
00811 Information Technology Projects	7	Water	Enterprise Fund	Countywide	500,000	500,000	500,000	500,000	0	0	1,500,000
00776 Water Treatment Plant Expansion	8	Water	Enterprise Fund	Countywide	3,300,000	3,300,000	0	0	0	0	3,300,000
06125 Cobbs Creek (Cumberland) Reservoir	9	Water	Enterprise Fund	Countywide	56,250,000	56,250,000	0	0	0	161,500,000	217,750,000
00774 Beverly Hills Area Water Rehabilitation	10	Water	Enterprise Fund	Tuckahoe	1,035,000	1,035,000	5,796,000	0	0	0	6,831,000
06615 Ridge Water Pressure Zone	11	Water	Enterprise Fund	Tuckahoe	400,000	400,000	1,360,000	0	0	0	1,760,000
06383 Dabbs House Road Water Line	1	Water	Enterprise Fund	Varina	0	0	600,000	0	0	0	600,000
06515 Water Transmission Mains Ph 2	1	Water	Enterprise Fund	B, F, V	0	0	0	14,490,000	0	83,317,500	97,807,500
06513 Bacova Road PS & Tank	2	Water	Enterprise Fund	Three Chopt	0	0	0	1,035,000	2,674,440	0	3,709,440

Capital Improvement Program FY2011-12 through FY2015-16
Fund 51 Enterprise Fund - Public Utility Requests by Fiscal Year and Priority Number

Project	Priority	Project Type	Source	District	Approved FY11-12	Request FY11-12	Request FY12-13	Request FY13-14	Request FY14-15	Request FY15-16	Total Five Year
06382 Creighton Road Water Line	3	Water	Enterprise Fund	Fairfield	0	0	0	950,000	0	0	950,000
06570 Shady Grove Area Water Supply Main	1	Water	Enterprise Fund	Three Chopt	0	0	0	0	300,000	1,000,000	1,300,000
06118 Sadler Road 12" Water Line	2	Water	Enterprise Fund	Three Chopt	0	0	0	0	1,700,000	0	1,700,000
06119 Laburnum Avenue Water Booster Station	1	Water	Enterprise Fund	Fairfield	0	0	0	0	0	621,000	621,000
Water Subtotal					64,785,000	64,785,000	11,556,000	20,300,000	12,674,440	257,388,500	366,703,940
Grand Total - Fund 51					100,827,965	100,827,965	40,254,669	41,510,791	84,430,780	292,415,575	559,439,780

Capital Improvement Program FY2011-12 through FY2015-16
Fund 52 Enterprise Fund - Belmont Golf Course Requests by Fiscal Year and Priority Number

Project	Priority	Project Type	Source	District	Approved FY11-12	Request FY11-12	Request FY12-13	Request FY13-14	Request FY14-15	Request FY15-16	Total Five Year
Recreation											
06249 Belmont Golf Course Renovation	1	Golf Course	Enterprise Fund	Fairfield	0	0	72,600	0	0	0	72,600
06357 Belmont Golf Course Pond Management	1	Golf Course	Enterprise Fund	Fairfield	0	0	0	671,748	0	0	671,748
06251 Belmont Golf Course Renovation	1	Golf Course	Enterprise Fund	Fairfield	0	0	0	0	431,417	0	431,417
06250 Belmont Golf Course Renovation	1	Golf Course	Enterprise Fund	Fairfield	0	0	0	0	0	1,282,409	1,282,409
Golf Course Subtotal					0	0	72,600	671,748	431,417	1,282,409	2,458,174
Grand Total - Fund 52					0	0	72,600	671,748	431,417	1,282,409	2,458,174

CAPITAL IMPROVEMENT PROGRAM IMPLICATIONS ON OPERATING BUDGET

The Capital Improvement Program (CIP) accounts for capital improvement projects that generally require a significant outlay of funds and have a project life of longer than one year. Henrico County's capital improvement needs and funding requirements are outlined in the Capital Improvement Program FY2011-12 through FY2015-16.

Bringing a new facility on-line requires additional costs such as maintenance, utilities, and personnel to operate the new facility. This impact to future operating budgets is considered before funding for a capital project is recommended. Operating costs associated with a new facility are added to departments' budgets in the year of the facility's projected opening date through a complete "crosswalk" between the capital and operating budgets.

In November 2000, County voters approved a \$237.0 million General Obligation Bond referendum and in March 2005, County voters approved another referendum totaling \$349.3 million. Capital projects on the referenda included parks, fire stations, libraries, schools, and roads.

The approved Capital Budget for FY2011-12 is \$141,409,173, which funds a portion of the project requests in the first year of the CIP. The projects in the FY2011-12 approved Capital Budget do not have an operating impact on the FY2011-12 operating budget as the operating costs have implications on operating budgets beyond FY2011-12. Those costs have been factored into the County's multi-year expenditure forecasts. However, it should be noted the FY2011-12 operating budget includes \$10,248,671 in new operating costs arising from projects funded in prior Capital Budgets.

As mentioned, the FY2011-12 operating budget includes funding for operating costs associated with new facilities as well as renovations and additions to existing facilities. These facilities include operating costs, including personnel if required, for the following: Glen Allen High School, 11th grade, Mehfoud Elementary School twelve classroom

addition, Varina Elementary School twelve classroom addition, Tuckahoe Elementary School six classroom addition, Lakeside Elementary School six classroom addition, Dumbarton Elementary School six classroom addition, Fire Station #3 relocation, Juvenile Detention medical addition, Lakeside House expansion, Gayton Library renovation, Virginia Randolph Museum, and the Eastern Area Recreation Center. These projects were funded in prior years' capital budgets.

In FY2000-01, a Revenue Stabilization reserve was established to offset the increase in operating costs associated with the bond funded projects. In FY2000-01 and FY2001-02, \$2.6 million and \$5.2 million, respectively, was deposited into the reserve to build a balance to offset future operating costs.

In FY2002-03, \$2.5 million was added to the reserve and \$4.7 million of the reserve balance was used. These funds were allocated from the reserve to reduce the impact of the increase in operating costs associated with the opening of Fire Station #18 and Deep Run High School, 9th and 10th grades.

In FY2003-04, \$1.6 million was added to the reserve and \$4.0 million of the reserve balance was used. These funds reduced the impact of the operating costs associated with opening Rivers Edge Elementary School and Fire Station #22 as well as adding the 11th grade to Deep Run High School.

In FY2004-05, the Revenue Stabilization Reserve budget included a \$4.5 million addition to the reserve and a \$3.2 million use of the reserve balance. The use of the reserve reduced the impact of the increased costs associated with openings of the Hungary Creek Middle School and the Greenwood Elementary School, the addition of the 12th grade at Deep Run High School, additions for the Baker and Ratcliffe Elementary Schools, full-year operations for Fire Station #22, and partial year funding for the Tuckahoe and Twin Hickory Libraries.

In FY2005-06, the Revenue Stabilization Reserve budget included a \$6.4 million addition to the

Implications on Operating Budget (cont'd)

reserve and a \$2.5 million use of the reserve balance. Planned uses of the fund include costs associated with the renovations for the Ridge and Tuckahoe Elementary Schools, Deep Run Recreation Center, Walkerton Tavern, Osborne Park/Meade property, and partial year funding for Tuckahoe Library, Twin Hickory Library, and Fire Station #21.

In FY2006-07, the Revenue Stabilization Reserve budget included a \$2.4 million addition to the reserve. Because of significant operating increases projected in FY2007-08 and FY2008-09, there was no use of the Revenue Stabilization Fund.

In FY2007-08, the Revenue Stabilization Reserve budget included a \$1.4 million addition and a \$4.1 million use. Planned uses of the fund include costs associated with Elko Middle School, Colonial Trail Elementary School, Varina High School addition/renovation, Henrico Theatre, Tuckahoe Little League, and the Twin Hickory Library. In addition, the residual funding difference for the Fire Station #5 renovation, Fire Station #21, RF&P Park, Deep Run Recreation Center, Walkerton Tavern, and the Tuckahoe Library were included in the operating budget.

In FY2008-09, the Revenue Stabilization Reserve budget included a \$2.3 million addition to the reserve and a \$5.7 million use of the reserve. Planned uses of the fund include costs associated with Harvie Elementary School, Henrico High School classroom addition, Highland Springs High School classroom addition, Dabbs House, Clark-Palmore, Glen Allen Library addition, and the Gayton Library renovation. Additionally, the residual funding difference for the Fire Station #5

renovation, Fire Station #21, Tuckahoe Library, and the Twin Hickory Library were included in the operating budget.

In FY2009-10, the Revenue Stabilization Reserve budget includes a \$750,000 use of the reserve. Planned uses included costs associated with Glen Allen High School and Holman Middle School.

In FY2010-11, the Revenue Stabilization Reserve budget includes an \$18.1 million addition to the reserve and a \$11.5 million use of the reserve. Planned uses of the fund include costs associated with the new Glen Allen High School, 9th and 10th grades, the new Holman Middle School, Glen Allen Library addition, Fire Station #8 rebuild, Fire Station #12 renovation and addition, Juvenile Courts expansion, and the Eastern Area Recreation Center.

In FY2011-12, the Revenue Stabilization Reserve budget includes a \$10.2 million use of the reserve. Planned uses of the fund include costs associated with Glen Allen High School, 11th grade, Mehfoud Elementary School twelve classroom addition, Varina Elementary School twelve classroom addition, Tuckahoe Elementary School six classroom addition, Lakeside Elementary School six classroom addition, Dumbarton Elementary School six classroom addition, Fire Station #3 relocation, Juvenile Detention medical addition, Lakeside House expansion, Gayton Library renovation, Virginia Randolph Museum, and the Eastern Area Recreation Center.

What appears in the following pages is the estimated incremental impact of operating costs that would arise from all the current capital projects requested within the five-year Capital Improvement Program.

Capital Improvement Program
Fiscal Year 2011-12 through FY2015-16
Department and Priority Order
Associated Operating Cost

Fund 21 - Capital Projects Fund

Project	Priority	Project Type	Source	District	Request FY11-12	Request FY12-13	Request FY13-14	Request FY14-15	Request FY15-16	Total Five Year
Customer Relationship Management										
06506 Customer Relationship Management	1	Technology Improvement	No Funding Source	General Government	0	0	0	3,690,984	3,690,984	7,381,968
Department Subtotal					0	0	0	3,690,984	3,690,984	7,381,968
Education										
06397 Education Bond Project Reserve		Building Improvement	G.O. Bonds - Education - 2005	Countywide	0	0	0	0	0	0
00518 Roof Replacements	1	Building Improvement	General Fund	Countywide	0	0	0	0	0	0
00527 Mechanical Improvements	2	Building Improvement	General Fund	Countywide	0	0	0	0	0	0
06611 Athletic Facility Improvements	3	Site Improvement	No Funding Source	Countywide	0	0	0	0	0	0
06612 Parking, Sidewalk and Curbing Improvements	4	Site Improvement	No Funding Source	Countywide	0	0	0	0	0	0
06302 Henrico HS Renovation	5	Building Improvement	G.O. Bonds - Education - 2005	Fairfield	0	0	0	0	0	0
06301 Pinchbeck ES Renovation	6	Building Improvement	G.O. Bonds - Education - 2005	Tuckahoe	0	0	0	0	0	0
06296 East Area Middle #2	7	Building (New)	G.O. Bonds - Education - 2005	Varina	0	0	0	0	0	0
06305 Pemberton ES Renovation	8	Building Improvement	G.O. Bonds - Education - 2005	Tuckahoe	0	0	0	0	0	0
16302 Henrico HS Renovation	1	Building Improvement	No Funding Source	Fairfield	0	0	0	0	0	0
16305 Pemberton ES Renovation	2	Building Improvement	No Funding Source	Tuckahoe	0	0	0	0	0	0
06304 Crestview ES Renovation	3	Building Improvement	No Funding Source	Three Chopt	0	0	0	0	0	0
06303 East Area HS #2	4	Building (New)	No Funding Source	Varina	0	0	5,711,134	8,566,701	11,422,268	25,700,103
06538 Skipwith ES Renovation	5	Building Improvement	No Funding Source	Three Chopt	0	0	0	0	0	0
06479 Tuckahoe MS Renovation	1	Building Improvement	No Funding Source	Three Chopt	0	0	0	0	0	0
06539 Seven Pines ES Renovation	3	Building Improvement	No Funding Source	Three Chopt	0	0	0	0	0	0
06541 Chamberlayne ES Renovation	1	Building Improvement	No Funding Source	Varina	0	0	0	0	0	0
06484 Glen Allen HS Technical Center	1	Building (New)	No Funding Source	Fairfield	0	0	0	0	0	0
06545 Tuckahoe ES - 5th Grade & Audit. Renov.	2	Building Improvement	No Funding Source	Brookland	0	0	0	0	0	0
Department Subtotal					0	0	5,711,134	8,566,701	11,422,268	25,700,103
Fire										
06189 Renovate and Expand F/S #13	1	Building Improvement	G.O. Bonds - Gen Gov't - 2005	Tuckahoe	0	10,000	10,000	10,000	10,000	40,000
06168 NW Fire Station #19 - Land Purchase	2	Land	No Funding Source	Three Chopt	0	0	0	0	0	0
06531 Fire Headquarters Building	3	Building (New)	No Funding Source	General Government	0	103,916	103,916	103,916	103,916	415,664
06468 Fire Station #1 - Land Purchase	4	Land	No Funding Source	Fairfield	0	0	0	0	0	0
06170 Fire Station #6 - Land Purchase	5	Land	No Funding Source	Varina	0	0	0	0	0	0
06171 Osborne Turnpike FS - Land Purchase	6	Land	No Funding Source	Varina	0	0	0	0	0	0
06623 Osborne Boathouse	7	Building (New)	No Funding Source	Varina	0	1,466	1,466	1,466	1,466	5,864
06366 Fire Station #1 - Construction	1	Building (New)	No Funding Source	Fairfield	0	0	10,000	10,000	10,000	30,000
06177 Fire Station #6 - Construction	2	Building (New)	No Funding Source	Varina	0	0	10,000	10,000	10,000	30,000
06532 Fire Training Facility - Construction	3	Building (New)	No Funding Source	General Government	0	0	68,234	68,234	68,234	204,702
06528 Fire Station #11 - Land Purchase	4	Land	No Funding Source	Fairfield	0	0	0	0	0	0
06518 Fire Station #4 - Land Purchase	1	Land	No Funding Source	Varina	0	0	0	0	0	0
06529 Fire Station #11 - Construction	2	Building (New)	No Funding Source	Fairfield	0	0	0	10,000	10,000	20,000
06178 Osborne Turnpike FS - Construction	3	Building (New)	No Funding Source	Varina	0	0	0	1,680,175	1,680,175	3,360,350

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06185 Staples Mill Road FS - Land Purchase	4	Land	No Funding Source	Brookland	0	0	0	0	0	0
06519 Fire Station #4 - Construction	1	Building (New)	No Funding Source	Varina	0	0	0	0	10,000	10,000
06520 Wilton Farms FS - Land Purchase	2	Land	No Funding Source	Varina	0	0	0	0	0	0
06522 Portugee Road FS - Land Purchase	3	Land	No Funding Source	Varina	0	0	0	0	0	0
06190 Staples Mill Fire Station - Construction	1	Building (New)	No Funding Source	Brookland	0	0	0	0	0	0
06363 North Gayton Fire Station-Land Purchase	2	Land	No Funding Source	Three Chopt	0	0	0	0	0	0
06524 Elko Road Fire Station - Land Purchase	3	Land	No Funding Source	Varina	0	0	0	0	0	0
Department Subtotal					0	115,382	203,616	1,893,791	1,903,791	4,116,580
General Services										
06463 Building Maint. Area Safety Improvements	1	Building Improvement	General Fund	General Government	0	0	0	0	0	0
00572 Mechanical Improvements	2	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
00425 Roof Replacement and Rehabilitation	3	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
00423 Pavement Rehabilitation	4	Site Improvement	General Fund	General Government	0	0	0	0	0	0
06625 Building Automation Systems Upgrade	5	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
06624 Fuel Storage Tank Monitoring Upgrades	6	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
06368 Administration Building HVAC Upgrade	7	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
06460 Communications System Replacement	8	Technology Improvement	No Funding Source	General Government	0	0	0	0	0	0
06632 Card Access System - Panel Upgrade	9	Technology Improvement	General Fund	General Government	0	0	0	0	0	0
06102 Government Center Expansion - Admin. & Waret	10	Building (New)	No Funding Source	General Government	0	0	0	652,961	652,961	1,305,922
06089 Backup EOC & Data Center	11	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
06088 Vulnerability Implementation	12	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
06376 Gen. Government Svcs. East End Study	13	Feasibility/Programming Study	No Funding Source	General Government	0	0	0	0	0	0
06094 Government Center Land Utilization Plan	14	Land	No Funding Source	General Government	0	0	0	0	0	0
00377 DGS Environmental Fund	15	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
06573 Admin Entry Walk Improvements	16	Site Improvement	No Funding Source	General Government	0	0	0	0	0	0
01198 Energy Management	1	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
06096 Human Services Building Renovation	2	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
06486 Circuit Courtroom #6	3	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
06512 Juvenile Courts 6th Courtroom Build-out	4	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
06103 East End Depot	5	Building (New)	No Funding Source	General Government	0	0	0	0	0	0
06101 Locking Systems	6	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
06091 Gov't Cntr Exterior Lights, Phase III, IV	7	Site Improvement	No Funding Source	General Government	0	0	0	0	0	0
06104 Admin Bldg/Remaining Renovation	8	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
06105 New Courts Complex Facility	1	Building (New)	No Funding Source	General Government	0	0	0	0	0	0
06370 CAM Fuel Site - North West	2	Building (New)	No Funding Source	General Government	0	0	0	12,000	12,000	24,000
06533 Courthouse Renovations	1	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
Department Subtotal					0	0	0	664,961	664,961	1,329,922

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Information Technology										
06481 Information Technology Projects	1	Technology Improvement	General Fund	General Government	0	0	0	0	0	0
06627 Network/VOIP	2	Technology Improvement	General Fund	General Government	0	0	0	0	0	0
Department Subtotal					0	0	0	0	0	0
Juvenile Detention Home										
06616 JDH Renovations & Classroom Additions	1	Building Addition	No Funding Source	General Government	0	0	0	0	0	0
Department Subtotal					0	0	0	0	0	0
Mental Health										
06568 Feasibility Study to Expand/Replace East Center	1	Feasibility/Programming Study	No Funding Source	General Government	0	0	0	0	0	0
06577 East Center Expansion Land Purchase	1	Land	No Funding Source	General Government	0	0	0	0	0	0
06571 Feasibility Study to Expand Woodman Rd	2	Feasibility/Programming Study	No Funding Source	General Government	0	0	0	0	0	0
Department Subtotal					0	0	0	0	0	0
Police										
06610 Communications Training Room	1	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
Department Subtotal					0	0	0	0	0	0
Public Library										
06271 Dumbarton Area Library Replacement	1	Building (New)	G.O. Bonds - Gen Gov't - 2005	Brookland	0	0	4,050,496	4,050,496	4,050,496	12,151,488
06258 Fairfield Area Library - Land Purchase	2	Land	No Funding Source	Fairfield	0	0	0	0	0	0
06630 Library Security Cameras & Equipment Purch	3	Building Improvement	No Funding Source	Countywide	0	0	0	0	0	0
06272 Varina Area Library	1	Building (New)	G.O. Bonds - Gen Gov't - 2005	Varina	0	0	5,439,997	5,439,997	5,439,997	16,319,991
06259 Library Headquarters Alteration	2	Building Improvement	No Funding Source	General Government	0	0	37,240	37,240	37,240	111,720
06274 Fairfield Area Library Replacement	1	Building (New)	No Funding Source	Fairfield	0	0	0	0	4,133,132	4,133,132
06261 Twin Hickory Library Expansion	2	Building Addition	No Funding Source	Three Chopt	0	0	0	0	1,459,916	1,459,916
Department Subtotal					0	0	9,527,733	9,527,733	15,120,781	34,176,247
Public Utilities - Landfill										
06392 Springfield Rd Landfill Transfer Station	1	Landfill	Landfill Revenue	Three Chopt	0	0	0	0	0	0
01179 Charles City Road Landfill Improvements	2	Landfill	Landfill Revenue	Varina	0	0	0	0	0	0
01150 Springfield Road Landfill Public Use Improvement	3	Landfill	Landfill Revenue	Three Chopt	0	0	0	0	0	0
Department Subtotal					0	0	0	0	0	0
Public Works - Drainage										
06000 Beverly Drive/Dinwiddle Ave. Drainage	1	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0
06001 Borden Road Drainage	2	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0
06002 Barribee Lane	3	Drainage	No Funding Source	Three Chopt	0	0	0	0	0	0
06003 River Road Hills Drainage	4	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0
06004 Rolando Drive	5	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0
06005 Lafayette/Linbrook/Lincoln Drainage	6	Drainage	No Funding Source	Brookland	0	0	0	0	0	0

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06006	7	Drainage	No Funding Source	Varina	0	0	0	0	0	0
06007	8	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0
06008	9	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0
06009	10	Drainage	No Funding Source	Varina	0	0	0	0	0	0
06010	11	Drainage	No Funding Source	Brookland	0	0	0	0	0	0
06011	12	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0
06012	13	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0
06013	14	Drainage	No Funding Source	Three Chopt	0	0	0	0	0	0
06014	15	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0
06015	16	Drainage	No Funding Source	Three Chopt	0	0	0	0	0	0
06017	17	Drainage	No Funding Source	Varina	0	0	0	0	0	0
06018	18	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0
06019	19	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0
06020	1	Drainage	No Funding Source	Brookland	0	0	0	0	0	0
06021	2	Drainage	No Funding Source	Brookland	0	0	0	0	0	0
06022	3	Drainage	No Funding Source	Three Chopt	0	0	0	0	0	0
06023	4	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0
06024	5	Drainage	No Funding Source	Varina	0	0	0	0	0	0
06025	6	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0
06026	7	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0
06027	8	Drainage	No Funding Source	Three Chopt	0	0	0	0	0	0
06028	9	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0
06029	10	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0
06030	11	Drainage	No Funding Source	Varina	0	0	0	0	0	0
06031	12	Drainage	No Funding Source	Varina	0	0	0	0	0	0
06032	13	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0
06034	14	Drainage	No Funding Source	Varina	0	0	0	0	0	0
06035	15	Drainage	No Funding Source	Varina	0	0	0	0	0	0
06036	16	Drainage	No Funding Source	Three Chopt	0	0	0	0	0	0
06037	17	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0
06038	18	Drainage	No Funding Source	B, F	0	0	0	0	0	0
06039	19	Drainage	No Funding Source	Three Chopt	0	0	0	0	0	0
06040	1	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0
06041	2	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0
06042	3	Drainage	No Funding Source	Varina	0	0	0	0	0	0
06043	4	Drainage	No Funding Source	Brookland	0	0	0	0	0	0
06044	5	Drainage	No Funding Source	Varina	0	0	0	0	0	0
06045	6	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0
06046	7	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0
06047	8	Drainage	No Funding Source	Brookland	0	0	0	0	0	0
06048	9	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0
06049	10	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0

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06050 Woodman Rd Drainage - Thorpes Branch	11	Drainage	No Funding Source	B, F	0	0	0	0	0	0
06052 Willingham Road Drainage	12	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0
06053 Thorpes Branch	13	Drainage	No Funding Source	Brookland	0	0	0	0	0	0
06054 Lowell Street and Yates Lane Drainage	14	Drainage	No Funding Source	Varina	0	0	0	0	0	0
06055 Polaria Street Drainage	15	Drainage	No Funding Source	Varina	0	0	0	0	0	0
06056 Croft/Edgemore Drainage	16	Drainage	No Funding Source	Brookland	0	0	0	0	0	0
06057 Central Gardens Drainage	17	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0
06058 Beulah/Treva Roads Drainage	18	Drainage	No Funding Source	Varina	0	0	0	0	0	0
06059 Rockwood Road Drainage	19	Drainage	No Funding Source	Three Chopt	0	0	0	0	0	0
06060 Horsepen Rd - Shrewsbury to Hampshire	1	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0
06061 Magruder Avenue and Wilson Way	2	Drainage	No Funding Source	Varina	0	0	0	0	0	0
06062 Gaylord Road Drainage	3	Drainage	No Funding Source	Three Chopt	0	0	0	0	0	0
06063 Fern Avenue	4	Drainage	No Funding Source	Varina	0	0	0	0	0	0
06064 Maplewood Ave Drain/Trumpets Branch V	5	Drainage	No Funding Source	Brookland	0	0	0	0	0	0
06065 Mapleleaf-N Holly Ave in Highland Springs	6	Drainage	No Funding Source	Varina	0	0	0	0	0	0
06067 Lakeside Avenue Drainage	7	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0
06068 Pump Road - Deep Run Creek Drainage	8	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0
06069 Lewis Road Outfall - Phase III	9	Drainage	No Funding Source	Varina	0	0	0	0	0	0
06070 Clover Lane Drainage	10	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0
06071 Horsepen Branch	11	Drainage	No Funding Source	Brookland	0	0	0	0	0	0
06072 Rocky Branch/Cattail Branch	12	Drainage	No Funding Source	Brookland	0	0	0	0	0	0
06073 Georges Branch Channel	13	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0
06074 Charles City Road/Glen Alden Drainage	14	Drainage	No Funding Source	Varina	0	0	0	0	0	0
06075 Westhill Road Drainage	15	Drainage	No Funding Source	Three Chopt	0	0	0	0	0	0
06076 204 and 206 Monterey Avenue	16	Drainage	No Funding Source	Varina	0	0	0	0	0	0
06077 Glendale Drive Drainage II	17	Drainage	No Funding Source	Tuckahoe	0	0	0	0	0	0
06078 Watts Lane	18	Drainage	No Funding Source	Fairfield	0	0	0	0	0	0
06079 Eastlake-Monterey Drainage	19	Drainage	No Funding Source	Varina	0	0	0	0	0	0
06080 Eastlake Lane Drainage	20	Drainage	No Funding Source	Varina	0	0	0	0	0	0
06151 Bethlehem Rd - Spencer to Staples Mill Rd	21	Drainage	No Funding Source	Brookland	0	0	0	0	0	0
06082 Ranch Drive Drainage	22	Drainage	No Funding Source	Three Chopt	0	0	0	0	0	0
06083 Early Ave - Stuttaford Dr Drainage	23	Drainage	No Funding Source	Varina	0	0	0	0	0	0
Department Subtotal					0	0	0	0	0	0
Public Works - GIS										
00429 Geographic Information System	1	Technology Improvement	General Fund	General Government	0	0	0	0	0	0
Department Subtotal					0	0	0	0	0	0

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Project	Priority	Project Type	Source	District	Request FY11-12	Request FY12-13	Request FY13-14	Request FY14-15	Request FY15-16	Total Five Year
Public Works - Roadway										
00984 Charles City Rd-Laburnum to Seven Hills Blvd E;	1	Roadway	No Funding Source	Varina	0	0	0	0	0	0
06613 DPW East End Depot Pole Barn Replacement Pro	2	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
00499 General Road Construction	3	Roadway	General Fund - Public Works	Countywide	0	0	0	0	0	0
00486 New Guardrails	4	Roadway	General Fund - Public Works	Countywide	0	0	0	0	0	0
06582 Sandston Streetscape	5	Roadway	No Funding Source	Varina	0	0	0	0	0	0
00985 Creighton Road	1	Roadway	No Funding Source	F, V	0	0	0	0	0	0
Department Subtotal					0	0	0	0	0	0
Recreation										
06239 Twin Hickory Park	1	Park	G.O. Bonds - Gen Gov't - 2005	Three Chopt	0	245,787	245,787	245,787	245,787	983,148
06194 Facility Rehabilitation	2	Site Improvement	General Fund	Countywide	0	18,638	63,638	63,638	89,638	235,552
06356 Historic Facility Rehabilitation	3	Building Improvement	No Funding Source	Countywide	0	0	5,250	5,250	5,250	15,750
06212 Henrico Museum	4	Building (New)	No Funding Source	Varina	0	0	613,411	613,411	613,411	1,840,233
06395 Three Lakes Nature Center Landscaping	5	Site Improvement	No Funding Source	Fairfield	0	0	0	0	0	0
06203 Cedar Hill House	6	Building Improvement	No Funding Source	Fairfield	0	121,306	121,306	121,306	121,306	485,224
06215 Meadow Farm Museum	7	Building (New)	No Funding Source	Brookland	0	59,838	59,838	59,838	59,838	239,352
06435 Tuckahoe Park	8	Site Improvement	No Funding Source	Tuckahoe	0	167,109	167,109	167,109	167,109	668,436
06620 Concession Construction	9	Building Improvement	No Funding Source	Countywide	0	50,240	50,240	50,240	50,240	200,960
06436 Athletic Field Upgrades	10	Site Improvement	No Funding Source	Countywide	0	128,970	128,970	128,970	128,970	515,880
06199 Nuckol's Farm	11	Building Improvement	No Funding Source	Three Chopt	0	249,493	249,493	249,493	249,493	997,972
06352 Short Pump Park	1	Site Improvement	G.O. Bonds - Gen Gov't - 2005	Three Chopt	0	0	245,787	245,787	245,787	737,361
06208 Belmont Recreation Center Renovation	2	Building Improvement	No Funding Source	Fairfield	0	0	186,087	186,087	186,087	558,261
06200 Dorey Park	3	Site Improvement	No Funding Source	Varina	0	0	167,109	167,109	167,109	501,327
06205 Eastern Henrico Recreation Center	4	Site Improvement	No Funding Source	Fairfield	0	0	128,970	128,970	128,970	386,910
06214 Dorey Recreation Center	5	Building Addition	No Funding Source	Varina	0	0	613,411	613,411	613,411	1,840,233
06216 Confederate Hills Recreation Center	6	Building Addition	No Funding Source	Varina	0	0	186,087	186,087	186,087	558,261
06217 Dumcroft/Castle Point Park	7	Site Improvement	No Funding Source	Brookland	0	0	128,970	128,970	128,970	386,910
06219 Greenwood Park	8	Park	No Funding Source	Brookland	0	0	0	0	0	0
06221 James River West Park	9	Land	No Funding Source	Tuckahoe	0	0	0	0	0	0
06223 Tucker Park	10	Land	No Funding Source	TC, T	0	0	0	0	0	0
06225 Kanawha Park	11	Land	No Funding Source	B, TC, T	0	0	0	0	0	0
06226 Chickahominy Park	12	Land	No Funding Source	B, F	0	0	0	0	0	0
06210 Four Mile Creek Park	13	Park	No Funding Source	Varina	0	0	688,128	688,128	688,128	2,064,384
06227 Vawter Street Park	1	Park	No Funding Source	Fairfield	0	0	0	417,367	417,367	834,734
06197 RF & P Park	2	Site Improvement	No Funding Source	Brookland	0	0	0	128,970	128,970	257,940
06253 Laurel Recreation Area	3	Site Improvement	No Funding Source	Brookland	0	0	0	128,970	128,970	257,940
06255 Lakeside Park	4	Park	No Funding Source	Fairfield	0	0	0	217,787	217,787	435,574
06228 Holladay Park	5	Park	No Funding Source	Brookland	0	0	0	128,970	128,970	257,940
06229 Allen's Branch	6	Park	No Funding Source	Three Chopt	0	0	0	417,367	417,367	834,734
06230 Gill Dale Park	7	Park	No Funding Source	Varina	0	0	0	245,787	245,787	491,574
06354 Hidden Creek Rec Center Expansion	8	Building Addition	No Funding Source	Fairfield	0	0	0	186,087	186,087	372,174

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06218 Bickerstaff Park	9	Park	No Funding Source	Varina	0	0	0	128,970	128,970	257,940
06201 New Market Park	10	Park	No Funding Source	Varina	0	0	0	417,367	417,367	834,734
06231 Highland Gardens Park	1	Park	No Funding Source	Fairfield	0	0	0	0	128,970	128,970
06232 Dorey Model Farm	2	Building (New)	No Funding Source	Varina	0	0	0	0	0	0
06202 Deep Bottom Park	3	Park	No Funding Source	Varina	0	0	0	0	245,787	245,787
06234 Pocahontas Park	4	Land	No Funding Source	Varina	0	0	0	0	0	0
06235 Highland Springs Park	5	Park	No Funding Source	Varina	0	0	0	0	128,970	128,970
06236 Group Picnic Shelters	6	Site Improvement	No Funding Source	Countywide	0	0	0	0	50,220	50,220
06437 Deep Run Park - Artificial Turf Fields	7	Site Improvement	No Funding Source	Three Chopt	0	0	0	0	10,500	10,500
06240 Monument Hills Park	1	Park	No Funding Source	Brookland	0	0	0	0	0	0
06241 Virginia Randolph Recreation Area	2	Site Improvement	No Funding Source	Fairfield	0	0	0	0	0	0
06256 Meadow Farm	3	Building (New)	No Funding Source	Brookland	0	0	0	0	0	0
06238 Three Lakes Nature Center	4	Building Improvement	No Funding Source	Fairfield	0	0	0	0	0	0
06242 Chamberlayne Park	5	Land	No Funding Source	Fairfield	0	0	0	0	0	0
06243 Hungary Park	6	Land	No Funding Source	Brookland	0	0	0	0	0	0
06244 Pinedale Park	7	Park	No Funding Source	TC, T	0	0	0	0	0	0
06245 Tuckahoe Creek Park	8	Park	No Funding Source	Tuckahoe	0	0	0	0	0	0
06336 Glen Lea Recreation Area	9	Site Improvement	No Funding Source	Fairfield	0	0	0	0	0	0
06440 Dorey Park	10	Site Improvement	No Funding Source	Varina	0	0	0	0	0	0
06441 Armour House	11	Building Improvement	No Funding Source	Fairfield	0	0	0	0	0	0
Department Subtotal					0	1,041,381	4,049,591	6,467,233	7,057,680	18,615,885
Registrar										
06516 Electronic Polling Books	1	Technology Improvement	No Funding Source	General Government	0	25,000	25,000	25,000	25,000	100,000
Department Subtotal					0	25,000	25,000	25,000	25,000	100,000
Sheriff										
06386 Jail Expansion-East & West	1	Building (New)	No Funding Source	General Government	0	0	0	0	4,433,970	4,433,970
06608 Water Tower Painting	2	Building Improvement	No Funding Source	General Government	0	0	0	0	0	0
Department Subtotal					0	0	0	0	4,433,970	4,433,970
Grand Total - Fund 21					0	1,181,763	19,517,074	30,836,403	44,319,435	95,854,675

APPENDICES

APPENDIX "A"

GLOSSARY

ADA - The Americans with Disabilities Act (ADA) provides comprehensive civil rights protection to individuals with disabilities in the areas of employment, public accommodations, state and local government services and programs, and telecommunications.

Adjustment - Operating departments budget payments to support the Internal Service Fund operations. Therefore, the total budget is adjusted to remove the Internal Service Fund so the funds are not budgeted twice.

Advanced Live Support (ALS) - The rapid intervention of advanced emergency medical services such as cardiac monitoring, starting IV fluids, giving medication, manual defibrillation, and the process of using advance airway adjuncts.

Agency Fund - This fund accounts for assets held by the County for outside organizations. This is done to eliminate the duplication of administrative functions related to personal matters, procurement activities and accounting and budget responsibilities.

Annual Fiscal Plan - The formal title of the County's budget. See *Operating Budget*.

Appropriation - This is the legal authorization granted by the Board of Supervisors to expend or obligate funds for specific purposes. An appropriation usually is limited in the amount and time that it may be expended. The Board appropriates annually, at the beginning of each fiscal year, by department, agency, or project, based upon the adopted Annual Fiscal Plan. Additional appropriations may be approved by the Board during the fiscal year by amending the Annual Fiscal Plan and appropriating the funds for expenditure.

Assessed Value - A value set on real and other property as a basis for levying taxes. See *Tax Rate*.

Bond - A promissory note to pay a specified sum of money (called the principal) at a specified date in the future, together with periodic interest at a specified interest rate. These payments are identified in the budget documents as debt service.

Budget - The County's Annual Fiscal Plan showing estimated expenditures and revenues as well as other related data for a specific fiscal year. The Board of Supervisors adopts the Annual Fiscal Plan by resolution.

Budgetary Basis - Is the basis of accounting used to estimate financing sources and uses in the budget. This generally takes one of three forms: GAAP, cash or modified accrual. See *"Basis of Budgeting" in the front section of this document*.

CAM - Central Automotive Maintenance is a division within the Department of General Services and is accounted for in the Internal Service Fund.

Capital Budget - A plan of proposed capital projects and means of financing them. Capital projects are approved and funds are appropriated for expenditure by the Board of Supervisors for the duration of the project. The capital budget contains the funds available for expenditure in a specific fiscal year.

Capital Improvement Program (CIP) - A plan for capital expenditures to be incurred each year over a five-year period to meet capital requests by the departments and agencies of the County. It sets forth each project, by department, in which the County is to have a part and it specifies the full resources estimated to be available to finance the projected expenditures. The first year of the CIP becomes the capital budget for that fiscal year.

Capital Outlay - Outlays which result in the acquisition (either new or replacement) or additions to fixed assets except outlays for major capital facilities which are constructed or acquired (e.g., land and buildings). Expenditures for these major capital facilities are reflected within the capital budget. Examples of capital outlays are furniture, fixtures, machinery, and equipment.

CDBG - A federal grant entitled the Community Development Block Grant. Funds are used to support housing, economic development, health and human services, and planning and administration.

Complement - A listing of authorized positions by department as approved by the Board of Supervisors and maintained by the Human Resources Department. Complement I - 100% County funded position. Complement II - Position partially County funded. Complement III - 100% Non-County funded position. Complement IV - Positions that, regardless of funding source and classified status, are exempt from use of the County's grievance procedure as determined by the County Manager.

Contingency - Funds set aside in a special account in the Annual Fiscal Plan, but not always appropriated for expenditure. These funds are for emergency and unforeseen needs or for previously identified items that may have funding held for further actions or approvals before being appropriated for expenditure.

Debt Service Fund - This fund is used to finance and account for the principal and interest payments on long-term debt incurred by the County.

Department - An entity within the County organization setup, either by State code or identified need, for the administration of specifically related duties or responsibilities.

Designated Fund Balance - That portion of resources, which at year's end, exceeded requirements and has been designated for use at some future time for a specific project or use. Money in a designated fund balance is not in the Annual Fiscal Plan and therefore has not been appropriated for expenditure.

Division - For manageability and accounting purposes, some departments are further divided into smaller units of control, called divisions. Example: Treasury and Accounting Divisions are both part of the Department of Finance.

EDA Revenue Bonds - The type of bonds issued by Henrico County through the Economic Development Authority for the construction of public facilities.

Enterprise Fund - These types of funds account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the County is that the cost of providing services to the general public be financed or recovered through charges to users of such services. Two examples are: the Water and Sewer Revenue operations and the Belmont Park Golf Course.

Expenditure - The authorized paying out of County funds to defray the County charges and expenses and all necessary obligations relating to, or arising from, the execution of the lawful authority of the Board of Supervisors.

Fiduciary Fund - These funds are used if the government has a fiduciary or custodial responsibility for assets.

Financial Guidelines - The principles utilized by the Henrico County Board of Supervisors over time. The Henrico County Board of Supervisors has chosen to adhere to the use of broad financial guidelines as a means of maintaining their flexibility in decision making.

Financial Trend Monitoring System - The process in which a locality reviews the economic trends that are predictive of its financial outlook for the purpose of assessing its ability to maintain existing service levels, withstand local and regional economic disruptions, and meet the demands of natural growth, decline and change.

Fiscal Year (FY) - The County of Henrico operates with a fiscal year from July 1 to June 30.

Fringe Benefits - Employer contributions to pension and fringe benefit systems for County employees. Examples of such benefits include health care, unemployment compensation, the Virginia Retirement System, and life insurance.

Fund - Each fund is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds can be further divided into subfunds.

Fund Balance - The difference between fund assets and fund liabilities for governmental and trust funds. This balance is classified into two subcategories: reserved and unreserved. The unreserved fund balance can be subdivided further into designated and undesignated. The Enterprise Funds refer to these funds as retained earnings.

GAAP - Generally Accepted Accounting Principals are uniform standards and guidelines for financial accounting and reporting.

General Fund - This fund accounts for all revenues and expenditures of the County which are not accounted for in the other funds. Revenues are primarily derived from general property taxes, local sales taxes, license, and permit fees, and revenues received from the State for educational purposes. Some revenue collected in the General Fund is transferred to support requirements of other funds such as the Debt Service Fund.

General Obligation Bonds - The type of bonds issued when repayment is backed by the full faith and credit of the County and which have been approved by the voters of the County through a bond referendum.

Goal - A broad statement of departmental purpose. Within this document, the departmental goal is generally included within the "description" component of individual departmental narratives.

Grant - A contribution by one governmental unit or organization to another. Typically, these contributions are made to local governments from the Federal and State governments for specified purposes.

Interdepartmental Billings (IDT) - Expenditures and credits to expenditures between departments. No net change in Countywide expenditures results. One primary use of IDT's is the payment by operating departments for services rendered by departments in the Internal Service Fund.

Internal Service Funds - These account for the County's Central Automotive Maintenance, Technology Replacement operations, Risk Management, and Health Care Fund. Resources for these funds come from IDT's and transfers from the General Fund.

Development Services (DS) Day Support - A program offered by the Mental Health Department. The program provides supported employment, vocational services and life enrichment services to graduates of Henrico County's special education program.

Natural Account - A more detailed and specific listing of expenditures in the County's Oracle Financial Management System. Examples of accounts are: 50100 - Salaries and Wages, Regular; and 50101 - Salaries and Wages, Overtime.

Objective - A statement of purpose for a program or service describing anticipated outputs or outcomes.

Operating Budget - Includes all funds except those accounted for in the capital budget. The Operating Budget or Annual Fiscal Plan is adopted by the Board of Supervisors by resolution on a fiscal year basis, and an annual appropriation is made, also by resolution, based upon this Plan. The Plan may be amended during the fiscal year pursuant to the Virginia State Code.

Operating Expenses - The cost of contractual services, materials, supplies and other expenses not related to personnel and capital outlay expenses or capital projects.

Other Post Employment Benefits (OPEB) - Non-pension benefits provided to employees after employment ends. The Governmental Accounting Standards Board (GASB) has required a financial reporting of this expenditure which is captured in a fiduciary fund. This fund will allow the County to budget for the annual cost of public employee non-pension benefits and all outstanding obligations and commitments related to OPEB.

Pay-As-You-Go - A method of financing capital projects. Funding is 100% from local revenue. No borrowing or issuing of bonds is undertaken. This method may be used, as warranted, to reduce long term debt requirements.

Performance Measure - Specific quantitative or qualitative indicators used to measure an organization's progress. Henrico County utilizes mostly quantitative performance measures, the majority of which have been tracked for over a decade.

Personnel Expenses - Cost of salaries, wages, and fringe benefits such as the employer's share of social security contributions, retirement expenses, and health and life insurance payments.

Project (Capital) - An item for which the purchase, construction, or other acquisition will represent a public betterment to the community and add to the total physical worth of the County provided that the project considered meets the criteria for total cost and life expectancy. Examples of capital projects are land, buildings and certain major pieces of equipment of a fixed nature.

Requirement - The use of resources to meet expenditures, to transfer to other County operations, or to set up a reserve. Resources for a given fiscal year must at least equal the requirements for the same fiscal year.

Reserve - Each fund may have one or more reserve accounts. These accounts contain funds which have been set aside for a specific purpose or use, but not included in the Annual Fiscal Plan and not appropriated for expenditure. A reserve may be adjusted year-to-year as the needs are adjusted. An example is the Reserve For Self-Insurance in the General Fund.

Resource - The income which supports the operation of the County. Sufficient resources each fiscal year must be received to meet the total requirements of the County for that fiscal year. Examples of a resource are: revenue (from taxes, fees, etc.), sale of bonds (or other borrowings), certain recoveries and rebates, contributions-in-aid, and prior year fund balance.

Revenue - The Government's income from taxes, permits, fees, licenses, etc., including funds received from other governmental entities. Excludes borrowings and funds from sources such as use of prior years fund balances, contributions-in-aid, and certain recoveries and rebates.

Service Level - The supporting information pertinent to departmental approved expenditures that describes the impact on efficiency and/or effectiveness of departmental functions.

Special Revenue Fund - This fund accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. This includes resources obtained and used relating to State and Federal grants, the Utility Department's Solid Waste operation, School Cafeterias, Mental

Health/Developmental Services, and Street Lighting. There are times when revenue collected in one of the other funds may be transferred into this fund to support those operations such as the County's share of a grant program.

Subfund - Within each fund there are often operations, which by their unique characteristics, are best accounted for separately. These related subfunds are combined into one of the major funds. These subfunds are reported separately in revenue and expenditure reports.

Tax Levy - Charges imposed by a government to finance activities for the common benefit. Henrico County's tax levies are based on an approved tax rate per one hundred dollars of assessed value.

Tax Rate - The level of taxation levied by the County on specifically identified classifications of property. For example, the real estate tax rate for calendar year 2011 was \$0.87 per \$100 of assessed value.

Transfer - A resource recorded in one fund may be moved to another fund with the approval of the Board of Supervisors. An example of this interfund transfer would be revenues recorded in the General Fund and then transferred to the Debt Service Fund for payments on principal and interest on bonds.

Undesignated Fund Balance - The portion of unreserved fund balance representing financial resources available to finance expenditures other than those tentatively planned (designated).

VPSA Bonds - The type of bonds issued by Henrico County through the Virginia Public School Authority to finance capital projects for educational purposes.

APPENDIX "B"
PERSONNEL COMPLEMENT¹

Department	FY 10 Revised	FY 11 Original	FY 11 Changes³	FY 11 Revised³	FY 12 Changes	FY 12 Approved
General Government:						
Agriculture & Home Extension	3	3	0	3		3
Belmont Golf Course	9	9	0	9		9
Board of Supervisors	5	5	0	5		5
Building Inspections	58	58	0	58	(2)	56
Central Auto. Maintenance	65	65	0	65		65
Circuit Court Services	8	8	0	8		8
Commonwealth's Attorney	54	54	0	54	2	56
Community Corrections	2	2	0	2		2
Community Revitalization	18	18	0	18	(1)	17
County Attorney	18	18	0	18		18
County Manager	13	13	0	13		13
Electoral Board	9	9	0	9	(1)	8
Finance	159	159	0	159	(2)	157
Fire	539	539	0	539		539
General Services	156	156	0	156	(1)	155
Human Resources	53	53	0	53	(1)	52
Hold Complement ²	0	0	0	0	21	21
Information Technology	83	83	0	83	(1)	82
Internal Audit	4	4	0	4		4
Juvenile Detention	30	30	0	30		30
Juvenile Detention/VJCCCA	3	3	0	3		3
Library	173	173	0	173	(5)	168
Mental Health	220	220	0	220		220
Permit Centers	18	18	0	18	(1)	17
Planning	49	49	0	49	(3)	46
Police	797	799	0	799	(1)	798
Public Relations & Media Services	19	19	0	19		19
Public Utilities	308	308	1	309	(2)	307
Public Works	258	258	0	258	(1)	257
Real Property	7	7	0	7		7
Recreation	168	178	0	178	(1)	177
Sheriff	371	371	0	371		371
Social Services	168	168	0	168		168
Solid Waste	70	70	(1)	69		69
Sub-Total	3,915	3,927	0	3,927	0	3,927
Education:	6,633.80	6,584.80	(17.50)	6,567.30	(27.05)	6,540.25
TOTAL	10,548.80	10,511.80	(17.50)	10,494.30	(27.05)	10,467.25

¹ The County's personnel complement reflected here includes only those positions funded either wholly or in part with County funds. Positions funded 100% by other agencies (281 as of 1/31/2011) are not included. General Government positions are based on headcount while Education positions are measured using FTE.

² Certain approved, vacant, and frozen positions have been removed from the department where previously assigned and are being held in the Hold Complement until reassignment is made.

³ As of 3/2/2011

**Personnel Complement
By Fund**

Fund	FY 10 Revised	FY 11 Original	FY 11 Changes	FY 11 Revised⁽¹⁾	FY 12 Changes	FY 12 Approved
General Fund						
General Government	3,209.00	3,221.00	0.00	3,221.00	(2.00)	3,219.00
Education	5,905.05	5,847.05	(19.50)	5,827.55	(29.50)	5,798.05
Total	9,114.05	9,068.05	(19.50)	9,048.55	(31.50)	9,017.05
Special Revenue Fund						
General Government	314.00	314.00	(1.00)	313.00	2.00	315.00
Education	728.75	737.75	2.00	739.75	2.45	742.20
Total	1,042.75	1,051.75	1.00	1,052.75	4.45	1,057.20
Enterprise Funds						
Public Utilities	308.00	308.00	1.00	309.00	0.00	309.00
Golf Course	9.00	9.00	0.00	9.00	0.00	9.00
Total	317.00	317.00	1.00	318.00	0.00	318.00
Internal Service Fund						
Cent. Auto. Maint.	65.00	65.00	0.00	65.00	0.00	65.00
Risk Management	10.00	10.00	0.00	10.00	0.00	10.00
Grand Total	10,548.80	10,511.80	(17.50)	10,494.30	(27.05)	10,467.25

⁽¹⁾ As of 3/2/2011

**County of Henrico
Personnel Complement Changes
FY 2011-12**

Fund/Department	Position	F/PT	Number	Justification
<u>GENERAL GOVERNMENT</u>				
General Fund:				
Building Inspections	Building Inspector II	FT	(1.00)	Vacant position moved to the hold complement
Building Inspections	Permit Clerk	FT	(1.00)	Vacant position moved to the hold complement
	Building Inspections Total		(2.00)	
Community Revitalization	Office Assistant IV	FT	(1.00)	Vacant position moved to the hold complement
Electoral Board	Assistant Registrar II	FT	(1.00)	Vacant position moved to the hold complement
Finance	Assistant Treasury Supervisor	FT	(1.00)	Vacant position moved to the hold complement
Finance	Real Estate Section Manager	FT	(1.00)	Vacant position moved to the hold complement
	Finance Total		(2.00)	
General Services	Office Assistant III	FT	(1.00)	Vacant position moved to the hold complement
Human Resources	Technology Support Specialist IV	FT	(1.00)	Vacant position moved to the hold complement
Information Technology	Computer Operator III	FT	(1.00)	Vacant position moved to the hold complement
Permit Centers	Community Development Technician II	FT	(1.00)	Vacant position moved to the hold complement
Planning	County Planner I	FT	(1.00)	Vacant position moved to the hold complement
Planning	County Planner IV	FT	(1.00)	Vacant position moved to the hold complement
Planning	Office Assistant III	FT	(1.00)	Vacant position moved to the hold complement
	Planning Total		(3.00)	
Police	Police Support Technician II	FT	(1.00)	Vacant position moved to the hold complement
Public Library	Librarian I	FT	(1.00)	Vacant position moved to the hold complement
Public Library	Library Assistant I	FT	(4.00)	Vacant positions moved to the hold complement
	Public Library Total		(5.00)	
Public Works	Construction Coordinator	FT	(1.00)	Vacant position moved to the hold complement
Recreation	Recreation Coordinator II	FT	(1.00)	Vacant position moved to the hold complement
	General Fund Total		(21.00)	
Special Revenue Fund:				
Commonwealth's Attorney	Management Specialist II	FT	1.00	Complement III position converted to Complement II
Commonwealth's Attorney	Senior Management Specialist	FT	1.00	Complement III position converted to Complement II
	Commonwealth's Attorney Total		2.00	
	Special Revenue Fund Total		2.00	
Enterprise Fund:				
Public Utilities	Laboratory Aide	FT	(1.00)	Vacant position moved to the hold complement
Public Utilities	Maintenance Assistant I	FT	(1.00)	Vacant position moved to the hold complement
	Public Utilities' Total		(2.00)	
	Enterprise Fund Total		(2.00)	
	General Government Total		(21.00)	

County of Henrico
Personnel Complement Changes
FY 2011-12

Fund/Department	Position	F/PT	Number	Justification
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EDUCATION

General Fund:

Revisions During FY2010-11:

Administrative	Elementary School Education	FT	1.00	Realignment
Administrative	Nontraditional Programs	FT	(1.00)	Realignment
Administrative	Exceptional Education	FT	1.00	Reclassification
Instructional	Middle School Education	FT	(0.10)	Realignment
Instructional	Middle School Education	FT	1.00	Reclassification
Instructional	High School/Secondary Education	FT	3.70	Realignment
Instructional	High School/Secondary Education	FT	8.20	Reclassification
Instructional	Gifted	FT	1.00	Reclassification
Instructional	Career & Technical Education	FT	(3.60)	Realignment
Instructional	Career & Technical Education	FT	(0.50)	Reclassification
Instructional	Nontraditional Programs	FT	1.00	Reclassification
Instructional	Nontraditional Programs	FT	(9.50)	Reduce Complement
Instructional	Exceptional Education	FT	1.00	Reclassification
Instructional	Guidance & Counseling	FT	(3.20)	Reclassification
Instructional	Staff Development	FT	(1.00)	Reduce Complement
Librarians	Information Services	FT	(1.00)	Reclassification
Librarians	Information Services	FT	(3.00)	Reduce Complement
Principals	Nontraditional Programs	FT	(2.00)	Reduce Complement
Assistant Principals	Elementary School Education	FT	2.00	Reclassification
Assistant Principals	Staff Development	FT	(2.00)	Reclassification
Technical	Student Health Services	FT	(1.00)	Reclassification
Technical	Student Health Services	FT	(1.00)	Reduce Complement
Technical	Pupil Transportation	FT	1.00	Reclassification
Technology Tech Support	Career & Technical Education	FT	0.50	Realignment
Technology Tech Support	Career & Technical Education	FT	0.50	Reclassification
Technology Tech Support	R&P/Organizational Development, Quality, &	FT	(1.00)	Reduce Complement
Technology Tech Support	Television Services	FT	(0.50)	Realignment
Technology Tech Support	Payroll	FT	1.00	Reclassification
Clerical	Elementary School Education	FT	1.00	Realignment
Clerical	Assistant Superintendant for Instruction	FT	(1.00)	Realignment
Clerical	Nontraditional Programs	FT	(1.00)	Reclassification
Clerical	Human Resources	FT	(2.00)	Reclassification
Clerical	Payroll	FT	(1.00)	Reclassification
Instructional Assistants	High School/Secondary Education	FT	1.00	Realignment
Instructional Assistants	Career & Technical Education	FT	(1.00)	Reduce Complement
Instructional Assistants	Nontraditional Programs	FT	(1.00)	Reduce Complement
Instructional Assistants	Exceptional Education	FT	(1.00)	Realignment
Instructional Assistants	Exceptional Education	FT	(3.50)	Reclassification
Operative Personnel	Pupil Transportation	FT	1.00	Realignment
Operative Personnel	Pupil Transportation	FT	(2.00)	Reclassification
Clerical	Exceptional Education	PT	0.50	Reclassification
Operative Personnel	Pupil Transportation	PT	(1.00)	Realignment
Operative Personnel	Pupil Transportation	PT	(1.00)	Reclassification
Total Education - General Fund (FY2010-11):			(19.50)	

Changes for FY2011-12:

Administrative	Middle School Education	FT	(1.00)	Realignment
Administrative	High School/Secondary Education	FT	1.00	Realignment
Administrative	Technology	FT	(1.00)	Realignment
Administrative	Instructional Technology	FT	1.00	Realignment
Administrative	Staff Development	FT	(1.00)	Realignment
Administrative	R&P/Organizational Development, Quality, &	FT	1.00	Realignment

County of Henrico
Personnel Complement Changes
FY 2011-12

Fund/Department	Position	F/PT	Number	Justification
<i>Education (cont'd)</i>				
Administrative	PR/Communications & Community Outreach	FT	1.00	Realignment
Administrative	Superintendent	FT	(1.00)	Realignment
Instructional	Elementary School Education	FT	2.00	Realignment
Instructional	Elementary School Education	FT	(1.00)	Reduce Complement
Instructional	Middle School Education	FT	(530.60)	Realignment
Instructional	Middle School Education	FT	(1.00)	Reduce Complement
Instructional	High School/Secondary Education	FT	547.60	Realignment
Instructional	High School/Secondary Education	FT	(2.90)	Reduce Complement
Instructional	Instructional Reserve	FT	7.00	Reinstate Reserve
Instructional	Career & Technical Education	FT	30.00	Realignment
Instructional	Nontraditional Programs	FT	(52.00)	Realignment
Instructional	Exceptional Education	FT	(8.00)	Reduce Complement
Instructional	Guidance & Counseling	FT	(0.10)	Reduce Complement
Instructional	Instructional Technology	FT	36.00	Realignment
Instructional	Staff Development	FT	(31.00)	Realignment
Instructional	Television Services	FT	(2.00)	Realignment
Principals	Middle School Education	FT	(12.00)	Realignment
Principals	High School/Secondary Education	FT	12.00	Realignment
Principals	Career & Technical Education	FT	1.00	Realignment
Principals	Nontraditional Programs	FT	(1.00)	Realignment
Assistant Principals	Middle School Education	FT	(28.00)	Realignment
Assistant Principals	High School/Secondary Education	FT	28.00	Realignment
Assistant Principals	Career & Technical Education	FT	1.00	Realignment
Assistant Principals	Nontraditional Programs	FT	(1.00)	Realignment
Other Professional	High School/Secondary Education	FT	1.00	Realignment
Other Professional	Television Services	FT	(1.00)	Realignment
Other Professional	Superintendent of Schools	FT	(1.00)	Shift to Special Revenue
Technology Tech Development	Technology	FT	(1.00)	Realignment
Technology Tech Development	Student Information Systems	FT	1.00	Realignment
Technical	Middle School Education	FT	(3.00)	Realignment
Technical	High School/Secondary Education	FT	3.00	Realignment
Technical	Career & Technical Education	FT	1.00	Realignment
Technical	Nontraditional Programs	FT	(1.00)	Realignment
Technology Tech Support	Exceptional Education	FT	(1.00)	Reduce Complement
Technology Tech Support	Technology	FT	(8.00)	Realignment
Technology Tech Support	Technology	FT	(3.00)	Reduce Complement
Technology Tech Support	Instructional Technology	FT	1.00	Realignment
Technology Tech Support	Student Information Systems	FT	7.00	Realignment
Technology Tech Support	Human Resources	FT	(4.00)	Realignment
Technology Tech Support	Finance	FT	4.00	Realignment
Clerical	Elementary School Education	FT	(1.00)	Reduce Complement
Clerical	Middle School Education	FT	(38.00)	Realignment
Clerical	High School/Secondary Education	FT	40.00	Realignment
Clerical	Arts Resource Program	FT	(1.00)	Realignment
Clerical	Career & Technical Education	FT	4.00	Realignment
Clerical	Nontraditional Programs	FT	(5.00)	Realignment
Clerical	Technology	FT	(1.00)	Reduce Complement
Clerical	PR/Communications & Community Outreach	FT	1.00	Realignment
Clerical	Pupil Transportation	FT	(1.00)	Reduce Complement
Clerical	Superintendent of Schools	FT	(1.00)	Realignment
Instructional Assistants	High School/Secondary Education	FT	2.00	Realignment
Instructional Assistants	High School/Secondary Education	FT	(1.00)	Reduce Complement
Instructional Assistants	Career & Technical Education	FT	2.00	Realignment
Instructional Assistants	Career & Technical Education	FT	(1.00)	Reduce Complement
Instructional Assistants	Nontraditional Programs	FT	(4.00)	Realignment

County of Henrico
Personnel Complement Changes
FY 2011-12

Fund/Department	Position	F/PT	Number	Justification
<i>Education (cont'd)</i>				
Operative Personnel	Pupil Transportation	FT	(6.00)	Reduce Complement
Service	Construction & Maintenance	FT	(6.00)	Reduce Complement
Service	General Services	FT	(1.00)	Reduce Complement
Clerical	Exceptional Education	PT	(0.50)	Reduce Complement
	Total Education - General Fund FY2011-12:		(29.50)	
	Total Education - General Fund (since 7/1/2010):		(49.00)	
Special Revenue Fund:				
Revisions During FY2010-11:				
Instructional	Foreign Language Assistance Program	FT	1.00	Board Approved System Growth
Instructional	Title I-D	FT	(0.50)	Realignment
Instructional	Drug Free S/C Act	FT	(1.00)	Reduce Complement
Instructional	Federal Class Size/Title II	FT	(1.00)	Realignment
Instructional	Juvenile Detention Title I-D	FT	1.00	Board Approved System Growth
Instructional	Title I	FT	3.50	Realignment
Instructional	Title I	FT	(1.00)	Reclassification
Instructional	Title I - School Improvement 1003G	FT	(2.00)	Realignment
Instructional	Title III - ESL	FT	(1.00)	Reduce Complement
Instructional	Title VI-B, Special Education	FT	1.00	Reclassification
Librarians	Grant Administration	FT	1.00	Board Approved
Other Professional	Title VI-B	FT	(1.00)	Reclassification
Technical	Project Connect	FT	2.00	Board Approved System Growth
Technology Tech Support	Distance Learning/Japanese TV	FT	(0.50)	Reduce Complement
Instructional Assistants	Title I	FT	1.00	Reclassification
Instructional Assistants	Drug Free S/C Act	PT	(0.50)	Reduce Complement
	Total Education - Special Revenue Fund (FY2010-11):		2.00	
Requested Additions for FY2011-12:				
Instructional	Distance Learning/Japanese TV	FT	(1.00)	Reduce Complement
Instructional	Reserve for Grant Programs	FT	(0.25)	Reduce Complement
Instructional	State Four Year Old Program	FT	8.00	System Growth
Instructional	Teacher Incentive Fund	FT	1.00	System Growth
Other Professional	CTE Resource Center	FT	(2.50)	Reduce Complement
Other Professional	Henrico Education Foundation	FT	1.00	Shifted from General Fund
Clerical	Distance Learning/Japanese TV	FT	(1.00)	Reduce Complement
Instructional Assistant	Title III - ESL	FT	(2.00)	Reduce Complement
Instructional Assistant	Title III - ESL	PT	(0.80)	Reduce Complement
	Total Education - Special Revenue Fund (FY2011-12):		2.45	
	Total Education - Special Revenue Fund (since 7/1/2010):		4.45	
	Total Education - All Funds (FY2010-11):		(17.50)	
	Total Education - All Funds (FY2011-12):		(27.05)	
	Total Education - All Funds (since 7/1/2010):		<u>(44.55)</u>	

**Summary of Authorized Positions
and
Expenditures By Agency
(All Operating Funds)**

Agency	Authorized Positions ¹			Expenditures		
	FY 10	FY 11	FY 12	Actual FY 10	Original FY 11	Approved FY 12
Board of Supervisors	5	5	5	\$	\$	\$
County Manager	13	13	13	1,162,420	1,096,518	1,104,851
Public Relations & Media Services				1,935,800	1,915,000	1,940,667
County Attorney	19	19	19	1,827,287	1,863,174	1,895,196
Human Resources	18	18	18	1,966,860	2,006,181	2,031,459
Finance	53	53	52	11,498,814	8,852,921	8,503,598
General Services	159	159	157	11,752,508	12,280,200	12,057,258
Internal Audit	156	156	155	27,067,488	21,462,749	21,449,101
Information Technology	4	4	4	398,405	376,385	387,370
Real Property	83	83	82	9,961,969	12,079,730	12,464,369
Electoral Board	7	7	7	560,622	572,006	576,838
Circuit Court Clerk	9	9	8	1,116,152	1,396,097	1,348,019
Circuit Court Services	0	0	0	2,449,942	2,396,278	2,422,593
General District Court	8	8	8	508,198	524,171	527,204
Magistrates	0	0	0	259,687	211,206	208,076
Juvenile & Domestic Relations - Court Services	0	0	0	7,439	6,996	6,821
Juvenile & Domestic Relations - Probation	0	0	0	76,577	60,080	215,539
Juvenile & Domestic Relations - Detention Home	0	0	0	266,929	222,098	26,537
Juvenile & Domestic Relations - USDA Grant	30	30	30	2,037,852	2,109,876	2,102,621
Juvenile & Domestic Relations - VJCCCA	0	0	0	30,655	30,429	27,500
Commonwealth's Attorney	3	3	3	965,569	952,390	885,392
Police	54	54	56	5,361,229	5,409,763	5,501,487
Fire	797	799	798	66,544,928	66,264,457	66,880,959
Sheriff	539	539	539	49,643,769	49,316,053	49,964,586
Building Inspections	371	371	371	33,814,670	33,515,801	33,561,876
Public Works	58	58	56	4,031,662	4,330,403	4,273,187
Public Health	258	258	257	38,775,723	36,752,526	36,662,565
Mental Health & Developmental Services	0	0	0	1,583,256	1,645,730	1,583,056
Social Services	220	220	220	30,193,394	32,014,819	32,442,571
Recreation and Parks	168	168	168	22,516,647	18,464,062	18,597,813
Library	168	178	177	15,839,594	16,700,684	17,339,153
	173	173	168	14,787,390	15,634,256	15,917,916

**Summary of Authorized Positions
and**

**Expenditures By Agency
(All Operating Funds)**

Agency	Authorized Positions ¹			Expenditures		
	FY 10	FY 11	FY 12	Actual FY 10	Original FY 11	Approved FY 12
Economic Development	0	0	0	15,750,772	12,472,202	12,474,686
Planning	49	49	46	3,912,301	4,072,703	3,893,506
Community Revitalization	18	18	17	4,762,061	1,576,211	1,534,445
Agriculture and Home Extension	3	3	3	323,917	350,106	351,596
Non-Departmental	0	0	0	12,580,472	12,614,208	12,104,524
Sandston Recreation Center	0	0	0	12,661	14,000	14,000
Permit Centers	18	18	17	866,356	880,910	804,742
Community Corrections Program	2	2	2	1,725,754	1,732,867	1,815,156
Comprehensive Services Act	0	0	0	7,228,497	8,969,465	8,796,782
Capital Region Workforce Consortium	0	0	0	6,224,963	4,471,854	4,959,921
Metro Aviation Unit/Extradition	0	0	0	361,531	461,687	461,687
Solid Waste	70	69	69	10,957,060	12,166,612	12,267,102
Street Lights	0	0	0	66,179	72,500	72,500
Public Utilities	308	309	307	70,633,597	71,769,446	78,390,209
Belmont Park Golf Course	9	9	9	1,118,881	1,226,585	1,220,070
Central Automotive Maintenance	65	65	65	17,479,651	20,502,272	20,380,331
Technology Replacement	0	0	0	2,618,612	3,035,008	2,329,230
Healthcare	0	0	0	67,408,514	85,155,906	89,903,205
James River Juvenile Detention Center	0	0	0	5,248,705	5,526,540	5,541,809
Debt Service (General Government only)	0	0	0	17,172,749	15,309,698	17,330,475
Interdepartmental Billings	0	0	0	(71,281,139)	(84,250,164)	(86,446,256)
Hold Complement ²	0	0	21	0	0	0
Sub-Total	3,915.0	3,927.0	3,927.0	\$ 534,115,529	\$ 528,593,655	\$ 541,105,898
Education (includes Debt Service)	6,633.80	6,567.30	6,540.25	495,898,081	494,580,127	502,625,696
Total	10,548.80	10,494.30	10,467.25	\$ 1,030,013,610	\$ 1,023,173,782	\$ 1,043,731,594

¹ This reflects Complement I and II positions only. These positions are funded either wholly or in part with County funds. FY10 and FY11 Authorized Positions reflect "revised" totals as of March 2, 2011.

² Certain approved, vacant, and frozen positions (21) have been removed from the department where previously assigned and are being held in a Hold Complement until reassignment is made.

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2009-10</u>	<u>Approved FY2010-11</u>	<u>Revised FY2010-11¹</u>	<u>Approved FY2011-12</u>
Agriculture & Home Extension				
Administrative Assistant	1	1	1	1
Extension Agent	1	1	1	1
Office Assistant III	1	1	1	1
	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
Belmont Golf Course				
Equipment Operator I	4	4	4	4
Equipment Operator III	1	1	1	1
Food Service Supervisor	1	1	1	1
Labor Foreman III	1	1	1	1
Maintenance Superintendent	1	1	1	1
Utility Mechanic	1	1	1	1
	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>
Board of Supervisors				
Administrative Assistant	1	1	1	1
Administrative Secretary	1	1	1	1
Assistant to the County Manager	1	1	1	1
Executive Assistant	2	2	2	2
	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
Building Inspections				
Administrative Assistant	1	1	1	1
Building Inspector I	19	19	18	18
Building Inspector II	11	11	12	11
Building Official	1	1	1	1
Business Supervisor	1	1	1	1
Deputy Building Official	1	1	1	1
Electrical Engineer	1	1	1	1
Electrical/Elevator Inspector Supervisor	1	1	1	1
Engineer II	6	6	6	6
Inspections Plans Reviewer	1	1	1	1
Mechanical Engineer	2	2	2	2
Mechanical/Plumbing Inspector Supervisor	1	1	1	1
Office Assistant II	1	1	1	1
Office Assistant III	1	1	1	1
Permit Clerk	3	3	3	2
Residential Building Inspector Supervisor	1	1	1	1
Senior Permit Clerk	3	3	3	3
Senior Plans Review Engineer	2	2	2	2
Technology Support Specialist III	1	1	1	1
	<u>58</u>	<u>58</u>	<u>58</u>	<u>56</u>
Central Automotive Maintenance				
Accountant III	1	1	1	1
Automotive Equipment Mechanic	32	32	33	33
Automotive Equipment Supervisor	1	1	1	1
Automotive Equipment Technician	3	3	2	2
Automotive Fleet Manager	1	1	1	1

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2009-10</u>	<u>Approved FY2010-11</u>	<u>Revised FY2010-11¹</u>	<u>Approved FY2011-12</u>
<i>Central Automotive Maintenance (cont'd)</i>				
Automotive Mechanic Foreman	4	4	4	4
Automotive Service Worker I	1	1	1	1
Automotive Service Worker II	2	2	2	2
Custodial Worker	2	2	2	2
Fire Equipment Mechanic	5	5	5	5
Fire Equipment Mechanic Foreman	1	1	1	1
Office Assistant II	1	1	1	1
Office Assistant III	1	1	1	1
Secretary	1	1	1	1
Senior Shop Clerk Dispatcher	1	1	1	1
Storekeeper I	3	3	3	3
Storekeeper II	2	2	2	2
Superintendent/Central Maintenance Facility	1	1	1	1
Warehouse/Parts Supervisor	1	1	1	1
Welder	1	1	1	1
	<u>65</u>	<u>65</u>	<u>65</u>	<u>65</u>
Circuit Court Services				
Administrative Assistant	2	2	2	2
Executive Assistant	1	1	1	1
Law Clerk	3	3	3	3
Office Assistant III	0	0	1	1
Office Assistant IV	2	2	1	1
	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>
Commonwealth's Attorney				
Administrative Assistant	1	1	1	1
Assistant Attorney I/Commonwealth	12	12	11	11
Assistant Attorney II/Commonwealth	6	6	5	5
Assistant Attorney III/Commonwealth	3	3	5	5
Attorney for the Commonwealth	1	1	1	1
Business Supervisor	1	1	1	1
Chief Deputy Attorney/Commonwealth	1	1	1	1
Management Specialist I	1	1	1	1
Management Specialist II	1	1	1	2
Senior Management Specialist	0	0	0	1
Office Assistant III	2	2	2	2
Office Assistant IV	1	1	1	1
Office Supervisor	1	1	1	1
Paralegal	3	3	3	3
Secretary	13	13	13	13
Senior Asst. Attorney/Commonwealth	6	6	6	6
Technical Support Specialist I	1	1	1	1
	<u>54</u>	<u>54</u>	<u>54</u>	<u>56</u>
Community Corrections				
Senior Management Specialist	2	2	2	2
	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2009-10</u>	<u>Approved FY2010-11</u>	<u>Revised FY2010-11¹</u>	<u>Approved FY2011-12</u>
Community Revitalization				
Administrative Assistant	1	1	1	1
County Planner II	1	1	1	1
Deputy Zoning Conformance Officer	1	1	1	1
Director of Community Revitalization	1	1	1	1
Office Assistant III	1	1	1	1
Office Assistant IV	1	1	1	0
Principal Planner	1	1	1	1
Technology Support Specialist II	1	1	1	1
Zoning Enforcement Officer	10	10	10	10
	<u>18</u>	<u>18</u>	<u>18</u>	<u>17</u>
County Attorney				
Assistant County Attorney I	2	2	2	2
Assistant County Attorney II	3	3	3	3
Assistant County Attorney III	2	2	1	1
Business Supervisor	1	1	1	1
County Attorney	1	1	1	1
Deputy County Attorney	1	1	1	1
Paralegal	3	3	3	3
Secretary	3	3	3	3
Senior Assistant County Attorney	2	2	3	3
	<u>18</u>	<u>18</u>	<u>18</u>	<u>18</u>
County Manager				
Administrative Assistant	3	3	3	3
County Manager	1	1	1	1
Deputy County Manager	5	5	5	5
Executive Assistant	1	1	1	1
Legislative Liaison	1	1	1	1
Office Assistant IV	1	1	1	1
Technology Support Specialist III	1	1	1	1
	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>
Electoral Board				
Administrative Assistant	1	1	1	1
Assistant Registrar II	5	5	5	4
Deputy General Registrar	1	1	1	1
Office Supervisor	1	1	1	1
Technology Support Specialist I	1	1	1	1
	<u>9</u>	<u>9</u>	<u>9</u>	<u>8</u>
Finance				
Account Clerk II	26	26	28	28
Account Clerk III	6	6	6	6
Accountant I	2	2	2	2
Accountant III	5	5	5	5
Accountant IV	2	2	2	2
Accounting and Fiscal Technician	1	1	1	1
Accounting Section Manager	1	1	1	1

**Personnel Complement
By Department/Job Classification
General Government**

	Revised FY2009-10	Approved FY2010-11	Revised FY2010-11¹	Approved FY2011-12
<i>Finance (cont'd)</i>				
Administrative Assistant	1	1	1	1
Assistant Treasury Supervisor	2	2	2	1
Budget Analyst I	1	1	0	0
Budget Analyst II	1	1	2	2
Budget Analyst III	2	2	2	2
Budget Director	1	1	1	1
Budget Supervisor	1	1	1	1
Business Audit Supervisor	1	1	1	1
Business Auditor I	3	3	3	3
Business Auditor II	5	5	5	5
Business Inspection Supervisor	1	1	1	1
Business Inspector	4	4	4	4
Business Section Manager	1	1	1	1
Business Supervisor	1	1	1	1
Deputy Director Of Finance	1	1	1	1
Director Of Finance	1	1	1	1
Division Director	3	3	3	3
Information Technology Project Manager	1	1	1	1
Management Specialist II	0	0	1	1
Office Assistant III	10	10	9	9
Office Assistant IV	5	5	5	5
Office Supervisor	1	1	1	1
Personal Property Tax Auditor I	9	9	9	9
Personal Property Tax Auditor II	1	1	0	0
Real Estate Appraiser II	2	2	1	1
Real Estate Appraiser Supervisor	3	3	3	3
Real Estate Assessment Director	1	1	1	1
Real Estate Section Manager	1	1	1	0
Revenue Collection Officer I	3	3	3	3
Revenue Collection Officer II	5	5	5	5
Secretary	4	4	4	4
Senior Accountant	3	3	3	3
Senior Budget and Management Analyst	1	1	1	1
Senior Business Auditor	2	2	2	2
Senior Management Specialist	2	2	2	2
Senior Real Estate Appraiser	21	21	21	21
Senior Revenue Collection Officer	1	1	1	1
Technology Support Specialist III	4	4	4	4
Technology Support Specialist IV	1	1	1	1
Technology Support Technician II	2	2	2	2
Treasury Supervisor	2	2	2	2
Vehicle Section Manager	1	1	1	1
	<u>159</u>	<u>159</u>	<u>159</u>	<u>157</u>

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2009-10</u>	<u>Approved FY2010-11</u>	<u>Revised FY2010-11¹</u>	<u>Approved FY2011-12</u>
Fire				
Account Clerk III	2	2	2	2
Administrative Assistant	1	1	1	1
Assistant Fire Chief	2	2	2	2
Controller	1	1	1	1
Deputy Fire Chief	1	1	1	1
Emergency Manager	1	1	1	1
Engineer II	1	1	1	1
Fire Battalion Chief	10	10	10	10
Fire Captain	31	31	31	31
Fire Chief	1	1	1	1
Fire Division Chief	3	3	3	3
Fire Lieutenant	88	88	88	88
Firefighter	382	382	381	381
Management Specialist I	4	4	4	4
Management Specialist II	1	1	1	1
Office Assistant III	2	2	2	2
Office Assistant IV	1	1	1	1
Office Supervisor	1	1	1	1
Registered Nurse	1	1	1	1
Secretary	1	1	1	1
Senior Management Specialist	1	1	1	1
Technology Support Specialist II	2	2	2	2
Technology Support Specialist III	0	0	1	1
Technology Support Specialist IV	1	1	1	1
	<u>539</u>	<u>539</u>	<u>539</u>	<u>539</u>
General Services				
Account Clerk III	3	3	3	3
Administrative Assistant	1	1	1	1
Buildings and Grounds Manager	1	1	1	1
Business Supervisor	1	1	1	1
Buyer	4	4	4	4
Capital Projects Manager	4	4	4	4
Chief of Security Services	1	1	1	1
Claims Adjuster	2	2	2	2
Claims Technician	2	2	2	2
Communications Maintenance Supervisor	1	1	1	1
Communications Systems Manager	1	1	1	1
Construction Coordinator	2	2	2	2
Controller	1	1	1	1
Courier	3	3	3	3
Custodial Worker	18	18	17	17
Custodian I	2	2	2	2
Custodian II	2	2	2	2
Deputy Director of General Services	1	1	1	1
Director Of General Services	1	1	1	1

**Personnel Complement
By Department/Job Classification
General Government**

	Revised FY2009-10	Approved FY2010-11	Revised FY2010-11¹	Approved FY2011-12
<i>General Services (cont'd)</i>				
Division Manager	2	2	2	2
Electronic Controls Technician	2	2	3	3
Facilities Coordinator	1	1	1	1
Food Service Assistant	3	3	2	2
Food Service Manager	1	1	1	1
Food Service Supervisor	1	1	1	1
Maintenance Superintendant	3	3	3	3
Maintenance Supervisor	1	1	1	1
Management Specialist I	0	0	1	1
Management Specialist II	1	1	1	1
Office Assistant II	3	3	3	2
Office Assistant III	2	2	2	2
Office Assistant IV	3	3	3	3
Plant Maintenance Mechanic	22	22	22	22
Procurement Supervisor	3	3	3	3
Purchasing Support Specialist	2	2	2	2
Radio Repair Technician I	2	2	1	1
Radio Repair Technician II	0	0	1	1
Radio Repair Technician III	1	1	2	2
Safety Officer	1	1	1	1
Safety Specialist	1	1	0	0
Secretary	2	2	2	2
Security Officer	24	24	24	24
Security Officer Supervisor	3	3	3	3
Senior Buyer	2	2	2	2
Senior Capital Projects Manager	2	2	2	2
Senior Claims Adjuster	1	1	1	1
Senior Construction Coordinator	1	1	1	1
Senior Cook	3	3	3	3
Senior Engineer	1	1	1	1
Senior Management Specialist	2	2	2	2
Senior Plant Maintenance Mechanic	5	5	5	5
Support Services Supervisor	1	1	1	1
Technology Support Specialist II	2	2	2	2
Technology Support Specialist III	1	1	1	1
	<u>156</u>	<u>156</u>	<u>156</u>	<u>155</u>
Human Resources				
Account Clerk III	2	2	2	2
Administrative Assistant	1	1	1	1
Assistant Director of Human Resources	2	2	2	2
Director of Human Resources	1	1	1	1
Division Manager	7	7	7	7
Fitness Trainer	2	2	2	2
Human Resource Analyst I	1	1	1	1
Human Resource Analyst II	7	7	5	5

**Personnel Complement
By Department/Job Classification
General Government**

	Revised FY2009-10	Approved FY2010-11	Revised FY2010-11¹	Approved FY2011-12
<i>Human Resources (cont'd)</i>				
Human Resource Analyst III	2	2	3	3
Human Resources Manager	1	1	1	1
Human Resources Specialist	0	0	1	1
Information Technology Project Manager	1	1	1	1
Medical Assistant	1	1	1	1
Nurse Practitioner	2	2	1	1
Office Assistant IV	7	7	7	7
Senior Human Resources Analyst	6	6	7	7
Technology Support Specialist II	2	2	2	2
Technology Support Specialist III	2	2	1	1
Technology Support Specialist IV	3	3	4	3
Technology Support Technician II	3	3	3	3
	<u>53</u>	<u>53</u>	<u>53</u>	<u>52</u>
Hold Complement²	0	0	0	21
Information Technology				
Account Clerk III	1	1	0	0
Accounting and Fiscal Technician	0	0	1	1
Administrative Assistant	1	1	1	1
Assistant Director of Information Technology	1	1	1	1
Computer Operations Supervisor	1	1	1	1
Computer Operator II	3	3	3	3
Computer Operator III	3	3	3	2
Director of Information Technology	1	1	1	1
Information Technology Control Technician	4	4	4	4
Information Technology Hardware Specialist	1	1	1	1
Information Technology Project Leader	8	8	8	8
Information Technology Project Manager	6	6	6	6
Information Technology Senior Specialist	5	5	4	4
Information Technology Systems Engineer	4	4	4	4
Manager of Production Services	1	1	1	1
Office Assistant III	0	0	0	0
Senior Management Specialist	1	1	1	1
Technology Support Specialist II	8	8	3	3
Technology Support Specialist III	14	14	20	20
Technology Support Specialist IV	20	20	20	20
	<u>83</u>	<u>83</u>	<u>83</u>	<u>82</u>
Internal Audit				
Auditor III	3	3	3	3
Director Of Internal Audit	1	1	1	1
	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
Juvenile Detention				
Administrative Assistant	1	1	1	1
Custodian I	1	1	1	1

**Personnel Complement
By Department/Job Classification
General Government**

	Revised FY2009-10	Approved FY2010-11	Revised FY2010-11¹	Approved FY2011-12
<i>Juvenile Detention (cont'd)</i>				
Detention Counselor	14	14	14	14
Detention Home Assistant Superintendent	2	2	2	2
Detention Home Superintendent	1	1	1	1
Detention Supervisor	3	3	3	3
Food Service Supervisor	1	1	1	1
Office Assistant III	2	2	2	2
Registered Nurse	2	2	2	2
Senior Cook	3	3	3	3
	<u>30</u>	<u>30</u>	<u>30</u>	<u>30</u>
Juvenile Detention/VJCCCA				
Detention Outreach Coordinator	1	1	1	1
Detention Outreach Worker	2	2	2	2
	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
Library				
Account Clerk II	2	2	2	2
Account Clerk III	1	1	0	0
Administrative Assistant	1	1	1	1
Assistant Library Director	1	1	1	1
Business Manager	1	1	1	1
Courier	3	3	2	2
Director of Library	1	1	1	1
Librarian I	30	30	31	30
Librarian II	10	10	10	10
Librarian III	11	11	11	11
Library Assistant I	58	58	55	51
Library Assistant II	27	27	30	30
Library Assistant III	7	7	7	7
Library Assistant IV	5	5	5	5
Library Manager	4	4	4	4
Library Public Services Coordinator	1	1	1	1
Office Supervisor	0	0	1	1
Technology Support Specialist I	4	4	4	4
Technology Support Specialist II	3	3	3	3
Technology Support Specialist III	2	2	2	2
Technology Support Specialist IV	1	1	1	1
	<u>173</u>	<u>173</u>	<u>173</u>	<u>168</u>
Mental Health				
Account Clerk III	6	6	6	6
Accountant I	1	1	1	1
Accountant III	1	1	1	1
Administrative Assistant	1	1	1	1
Business Manager	1	1	1	1
Business Supervisor	3	3	3	3
Controller	1	1	1	1
Director of MH/DS	1	1	1	1

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2009-10</u>	<u>Approved FY2010-11</u>	<u>Revised FY2010-11¹</u>	<u>Approved FY2011-12</u>
<i>Mental Health (cont'd)</i>				
Infant Development Specialist	1	1	1	1
Institutional Physician	0	0	0	0
MH/DS Case Manager	35	35	35	35
MH/DS Clinical Supervisor	16	16	17	17
MH/DS Clinician	52.5	52.5	52.5	52.5
MH/DS Community Support Supervisor	8	8	7	7
MH/DS Division Director	3	3	3	3
MH/DS Group Home Supervisor	2	2	2	2
MH/DS Group Home Worker	2	2	2	2
MH/DS Marketing Specialist	1	1	1	1
MH/DS Program Coordinator	4	4	5	5
MH/DS Program Manager	10	10	10	10
MH/DS Records Coordinator	0	0	0	0
MH/DS Residential Counselor	1.5	1.5	2	2
MH/DS Senior Community Support Supervisor	2	2	1	1
MH/DS Support Services Specialist	0	0	0	0
MH/DS Training Assistant	11	11	10.5	10.5
MH/DS Training Specialist	26	26	26	26
Occupational Therapist	1	1	1	1
Office Assistant III	1	1	1	1
Office Assistant IV	19	19	19	19
Secretary	2	2	2	2
Senior Management Specialist	3	3	3	3
Speech Pathologist	1	1	1	1
Technology Support Specialist II	2	2	2	2
Technology Support Specialist IV	1	1	1	1
	<u>220</u>	<u>220</u>	<u>220</u>	<u>220</u>
Permit Centers				
Administrative Assistant	1	1	1	1
Assistant Director of Community Development	1	1	1	1
Community Development Supervisor	1	1	0	0
Community Development Technician I	3	3	3	3
Community Development Technician II	4	4	3	2
Community Development Technician III	4	4	5	5
Director of Community Development	1	1	1	1
Office Assistant IV	2	2	2	2
Senior Community Development Technician	1	1	2	2
	<u>18</u>	<u>18</u>	<u>18</u>	<u>17</u>
Planning				
Account Clerk III	1	1	1	1
Accounting & Fiscal Technician	1	1	1	1
Administrative Assistant	1	1	1	1
Assistant Director of Planning	2	2	2	2
County Planner I	6	6	4	3
County Planner II	3	3	5	5

**Personnel Complement
By Department/Job Classification
General Government**

	Revised FY2009-10	Approved FY2010-11	Revised FY2010-11¹	Approved FY2011-12
<i>Planning (cont'd)</i>				
County Planner III	4	4	4	4
County Planner IV	6	6	6	5
Deputy Zoning Conformance Officer	1	1	1	1
Director of Planning	1	1	1	1
Office Assistant III	1	1	1	0
Office Assistant IV	5	5	5	5
Planning Technician	2	2	1	1
Principal Planner	3	3	3	3
Senior Business Supervisor	1	1	1	1
Senior Planning Technician	1	1	2	2
Technology Support Specialist I	3	3	3	3
Technology Support Specialist II	3	3	3	3
Technology Support Specialist IV	1	1	1	1
Zoning Enforcement Officer	3	3	3	3
	<u>49</u>	<u>49</u>	<u>49</u>	<u>46</u>
Police				
Account Clerk III	2	2	3	3
Administrative Assistant	1	1	1	1
Animal Protection Officer	9	9	9	9
Animal Protection Supervisor	1	1	1	1
Auditor II	1	1	1	1
Chief of Police	1	1	1	1
Communications Officer	76	76	76	76
Communications Supervisor	12	12	12	12
Controller	1	1	1	1
County Planner I	0	0	0	0
County Planner II	1	1	1	1
County Planner III	1	1	1	1
Criminal Records Manager	1	1	1	1
Crossing Guard	11	11	11	11
Deputy Chief of Police	1	1	1	1
Emergency Communications Manager	1	1	2	2
Latent Print Examiner	1	1	1	1
Management Specialist II	2	2	2	2
Office Assistant III	4	4	4	4
Office Assistant IV	4	4	4	4
Office Supervisor	3	3	3	3
Police Captain	9	9	9	9
Police Command Sergeant	2	2	2	2
Police Lieutenant	36	36	36	36
Police Major	4	4	4	4
Police Officer	478	480	481	481
Police Sergeant	60	60	59	59
Police Support Technician I	15	15	15	15
Police Support Technician II	33	33	33	32

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2009-10</u>	<u>Approved FY2010-11</u>	<u>Revised FY2010-11¹</u>	<u>Approved FY2011-12</u>
<i>Police (cont'd)</i>				
Police Support Technician III	3	3	3	3
Secretary	11	11	10	10
Senior Animal Protection Officer	2	2	2	2
Senior Emergency Communications Manager	1	1	0	0
Senior Latent Print Examiner	1	1	1	1
Senior Management Specialist	1	1	1	1
Senior Police Support Technician	1	1	1	1
Technology Support Specialist I	1	1	1	1
Technology Support Specialist II	3	3	3	3
Technology Support Specialist III	1	1	1	1
Technology Support Specialist IV	1	1	1	1
	<u>797</u>	<u>799</u>	<u>799</u>	<u>798</u>
Public Relations and Media Services				
Asst. Dir. of Public Relations and Media Svcs.	1	1	1	1
Business Supervisor	1	1	1	1
Director of Public Relations and Media Services	1	1	1	1
Media Specialist	1	1	1	1
Office Assistant III	1	1	1	1
Office Assistant IV	1	1	1	1
Public Relations Specialist	2	2	2	2
Secretary	1	1	1	1
Senior Public Relations Specialist	1	1	1	1
Senior Television Producer/Director	1	1	2	2
Technology Support Specialist I	1	1	1	1
Television & Media Services Manager	1	1	1	1
Television Operations Technician	1	1	1	1
Television Producer/Director	5	5	4	4
	<u>19</u>	<u>19</u>	<u>19</u>	<u>19</u>
Public Utilities				
Account Clerk III	6	6	6	6
Accountant II	1	1	1	1
Accountant III	1	1	1	1
Accountant IV	1	1	1	1
Administrative Assistant	1	1	1	1
Assistant Director/Public Utilities	1	1	1	1
Assistant Division Director	3	3	3	3
Chemist	2	2	2	2
Chief of Laboratory Operations	1	1	1	1
Chief Water/Wastewater Plant Operator	8	8	8	8
Construction Engineer	1	1	0	0
Construction Inspector	13	13	13	13
Customer Service Representative	10	10	10	10
Customer Service Supervisor	1	1	1	1
Director of Public Utilities	1	1	1	1
Division Director	5	5	5	5

**Personnel Complement
By Department/Job Classification
General Government**

	Revised FY2009-10	Approved FY2010-11	Revised FY2010-11¹	Approved FY2011-12
<i>Public Utilities (cont'd)</i>				
Electrician	4	4	4	4
Electronic Controls Technician	1	1	1	1
Engineer I	7	7	7	7
Engineer II	14	14	14	14
Engineering Aide II	8	8	8	8
Engineering Aide III	1	1	1	1
Engineering Technician	9	9	9	9
Equipment Operator I	5	5	1	1
Equipment Operator II	33	33	37	37
Equipment Operator III	6	6	5	5
GIS Technician	4	4	4	4
Instrumentation Specialist	5	5	6	6
Labor Foreman II	12	12	12	12
Laboratory Aide	2	2	1	0
Laboratory Analyst	6	6	6	6
Maintenance Assistant I	10	10	10	9
Maintenance Assistant II	6	6	6	6
Management Specialist I	1	1	1	1
Meter Reader	5	5	5	5
Meter Reader Foreman	1	1	1	1
Meter Repair Specialist	2	2	2	2
Meter Service Foreman	1	1	1	1
Meter Service Worker	11	11	11	11
Monitoring Technician I	5	5	5	5
Monitoring Technician II	1	1	1	1
Office Assistant II	1	1	1	1
Office Assistant IV	5	5	5	5
Office Supervisor	3	3	4	4
Preventive Maintenance Technician	1	1	1	1
Secretary	1	1	1	1
Senior Construction Inspector	3	3	3	3
Senior Controller	1	1	1	1
Senior Electrician	1	1	1	1
Senior Engineer	2	2	2	2
Senior Instrumentation Specialist	1	1	1	1
Senior Laboratory Analyst	1	1	1	1
Senior Management Specialist	0	0	1	1
Senior Utility Pipe Locator	1	1	1	1
Senior Utility Plant Mechanic	3	3	3	3
Senior Water/Wastewater Plant Operator	10	10	9	9
Shop Clerk-Dispatcher	2	2	2	2
Storekeeper I	2	2	2	2
Storekeeper II	1	1	1	1
Technology Support Specialist I	1	1	1	1
Technology Support Specialist II	1	1	1	1

**Personnel Complement
By Department/Job Classification
General Government**

	Revised FY2009-10	Approved FY2010-11	Revised FY2010-11¹	Approved FY2011-12
<i>Public Utilities (cont'd)</i>				
Technology Support Specialist III	3	3	3	3
Technology Support Specialist IV	2	2	2	2
Utilities Cashier	1	1	1	1
Utility Pipe Locator	3	3	3	3
Utility Plant Mechanic	12	12	12	12
Utility Plant Operator I	3	3	3	3
Utility Plant Operator II	4	4	5	5
Utility Superintendent I	5	5	5	5
Utility Superintendent II	4	4	4	4
Warehouse/Parts Supervisor	2	2	2	2
Water/Wastewater Facility Maint. Supt.	1	1	1	1
Water Facility/Reclamation Facility Oper Supt.	1	1	1	1
Water/Wastewater Plant Operator II	7	7	7	7
Water/Wastewater Plant Operator Trainee	3	3	4	4
	<u>308</u>	<u>308</u>	<u>309</u>	<u>307</u>
Public Works				
Accountant III	1	1	1	1
Administrative Assistant	1	1	1	1
Administrative Secretary	1	1	1	1
Assistant Director/Public Works	1	1	1	1
Assistant Traffic Engineer	2	2	2	2
Bridge Inspector	1	1	1	1
Business Supervisor	1	1	1	1
Capital Projects Coordinator	2	2	2	2
Construction Coordinator	1	1	1	0
Construction Engineer	1	1	1	1
Construction Inspector	13	13	13	13
County Surveyor	1	1	1	1
Design Engineer	1	1	1	1
Director of Public Works/County Engineer	1	1	1	1
Drafting Technician II	1	1	1	1
Engineer I	4	4	4	4
Engineer II	13	13	13	13
Engineering Aide II	4	4	4	4
Engineering Aide III	6	6	6	6
Engineering Technician	2	2	1	1
Environmental Inspector	9	9	9	9
Environmental Management Engineer	1	1	1	1
Equipment Operator I	36	36	35	35
Equipment Operator II	36	36	36	36
Equipment Operator III	28	28	28	28
GIS Coordinator	1	1	1	1
Labor Foreman II	13	13	13	13
Labor Foreman III	2	2	2	2
Laborer	17	17	18	18

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2009-10</u>	<u>Approved FY2010-11</u>	<u>Revised FY2010-11¹</u>	<u>Approved FY2011-12</u>
<i>Public Works (cont'd)</i>				
Management Specialist II	2	2	2	2
Materials Technician I	1	1	1	1
Materials Technician II	1	1	1	1
Office Assistant III	5	5	5	5
Office Assistant IV	4	4	4	4
Preventive Maintenance Supervisor	1	1	1	1
Preventive Maintenance Technician	1	1	1	1
Road Constr. & Maint. Asst. Supt.	2	2	2	2
Road Constr. & Maintenance Supt.	1	1	1	1
Secretary	3	3	3	3
Senior Construction Coordinator	2	2	2	2
Senior Controller	1	1	1	1
Senior Engineer	1	1	1	1
Senior Environmental Inspector	2	2	2	2
Storekeeper II	2	2	2	2
Survey Party Chief	2	2	2	2
Technology Support Specialist III	2	2	2	2
Technology Support Specialist IV	1	1	1	1
Technology Support Technician II	3	3	3	3
Traffic Engineer	1	1	1	1
Traffic Engineering Technician	1	1	1	1
Traffic Operations Supervisor	1	1	1	1
Traffic Service Worker I	8	8	8	8
Traffic Service Worker II	0	0	1	1
Traffic Signal Service Worker	3	3	3	3
Traffic Signal Technician I	2	2	2	2
Traffic Signal Technician II	1	1	1	1
Traffic Signal Technician Supervisor	1	1	1	1
Transportation Development Engineer	1	1	1	1
Welder	1	1	1	1
	<u>258</u>	<u>258</u>	<u>258</u>	<u>257</u>
Real Property				
Administrative Assistant	1	1	1	1
Assistant Director of Real Property	1	1	1	1
Director of Real Property	1	1	1	1
Office Assistant III	1	1	1	1
Real Property Agent II	1	1	1	1
Senior Real Property Agent	2	2	2	2
	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>
Recreation				
Account Clerk II	1	2	2	2
Account Clerk III	3	3	3	3
Administrative Assistant	1	1	1	1
Assistant Director of Recreation	1	1	1	1
Capital Projects Manager	2	2	2	2

**Personnel Complement
By Department/Job Classification
General Government**

	Revised FY2009-10	Approved FY2010-11	Revised FY2010-11¹	Approved FY2011-12
<i>Recreation (cont'd)</i>				
Carpenter	2	2	2	2
Controller	1	1	1	1
Custodian I	15	17	17	17
Custodian II	2	2	2	2
Director of Recreation And Parks	1	1	1	1
Equipment Operator I	24	26	26	26
Equipment Operator III	2	2	2	2
Labor Foreman I	4	4	4	4
Labor Foreman II	5	5	5	5
Laborer	13	13	13	13
Maintenance Assistant I	3	3	3	3
Maintenance Superintendent	4	4	4	4
Management Specialist II	1	1	1	1
Museum Technician	4	4	4	4
Office Assistant III	3	3	3	3
Office Assistant IV	2	2	2	2
Painter	1	1	1	1
Parks Services Manager	1	1	1	1
Plant Maintenance Mechanic	1	1	1	1
Plumber	1	1	1	1
Recreation Coordinator I	17	19	18	18
Recreation Coordinator II	20	22	23	22
Recreation District Foreman	6	6	6	6
Recreation Programs Manager	2	2	2	2
Recreation Programs Supervisor	5	5	5	5
Secretary	2	2	2	2
Senior Construction Coordinator	2	2	2	2
Senior Recreation Coordinator	6	7	7	7
Shop Clerk-Dispatcher	1	1	1	1
Storekeeper II	1	1	1	1
Technology Support Specialist II	3	3	3	3
Technology Support Specialist III	1	1	1	1
Technology Support Technician II	1	1	1	1
Utility Mechanic	3	3	3	3
	<u>168</u>	<u>178</u>	<u>178</u>	<u>177</u>
Sheriff				
Account Clerk II	4	4	4	4
Administrative Assistant	1	1	1	1
Chief Deputy Sheriff	1	1	1	1
Controller	1	1	1	1
Correctional Captain	7	7	7	7
Correctional Deputy	263	263	263	263
Correctional Lieutenant	17	17	17	17
Correctional Major	2	2	2	2
Correctional Sergeant	37	37	37	37

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2009-10</u>	<u>Approved FY2010-11</u>	<u>Revised FY2010-11¹</u>	<u>Approved FY2011-12</u>
<i>Sheriff (cont'd)</i>				
Inmate Classification Officer	12	12	12	12
Inmate Classification Supervisor	1	1	1	1
Institutional Physician	1	1	1	1
Librarian I	2	2	2	2
Library Assistant II	1	1	1	1
Management Specialist I	1	1	1	1
Office Assistant II	0	0	0	0
Office Assistant III	14	14	13	13
Office Assistant IV	3	3	3	3
Senior Management Specialist	0	0	1	1
Storekeeper II	1	1	1	1
Technology Support Specialist I	1	1	1	1
Undersheriff	1	1	1	1
	<u>371</u>	<u>371</u>	<u>371</u>	<u>371</u>
Social Services				
Account Clerk III	4	4	4	4
Accountant I	1	1	1	1
Accountant III	1	1	1	1
Administrative Assistant	1	1	1	1
Assistant Director/Social Services	2	2	2	2
Business Manager	1	1	1	1
Casework Supervisor	6	6	6	6
Controller	1	1	1	1
Director of Social Services	1	1	1	1
Employment Services Supervisor	1	1	1	1
Human Services Assistant	11	11	11	11
Human Services Specialist	40	40	40	40
Human Services Supervisor	9	9	9	9
Job Developer	8	8	8	8
Office Assistant III	15	15	15	15
Office Assistant IV	2	2	2	2
Office Supervisor	1	1	1	1
Senior Human Services Specialist	13	13	13	13
Senior Management Specialist	1	1	1	1
Senior Social Services Aide	2	2	2	2
Senior Social Worker	30	30	29	29
Social Worker I	8	8	8	8
Social Worker II	6	6	7	7
Technology Support Specialist I	1	1	1	1
Technology Support Specialist III	1	1	1	1
Technology Support Technician II	1	1	1	1
	<u>168</u>	<u>168</u>	<u>168</u>	<u>168</u>

**Personnel Complement
By Department/Job Classification
General Government**

	<u>Revised FY2009-10</u>	<u>Approved FY2010-11</u>	<u>Revised FY2010-11¹</u>	<u>Approved FY2011-12</u>
Solid Waste				
Automotive Service Worker II	1	1	1	1
Division Director	1	1	1	1
Engineer II	1	1	0	0
Equipment Operator I	0	0	1	1
Equipment Operator II	19	19	20	20
Equipment Operator III	8	8	8	8
Instrumentation Specialist	1	1	0	0
Labor Foreman II	3	3	3	3
Laborer	21	21	20	20
Landfill Attendant	4	4	4	4
Management Specialist I	1	1	1	1
Office Assistant III	1	1	1	1
Preventive Maintenance Technician	1	1	1	1
Senior Engineer	0	0	1	1
Utilities Cashier	5	5	5	5
Utility Plant Operator II	1	1	0	0
Utility Superintendent I	1	1	1	1
Utility Superintendent II	1	1	1	1
	<u>70</u>	<u>70</u>	<u>69</u>	<u>69</u>
Total Complement:	<u><u>3,915</u></u>	<u><u>3,927</u></u>	<u><u>3,927</u></u>	<u><u>3,927</u></u>

1 - as of 3/2/2011

2 - Reserved Positions, Hold Complement, Unfunded for FY2011-12 Budget.

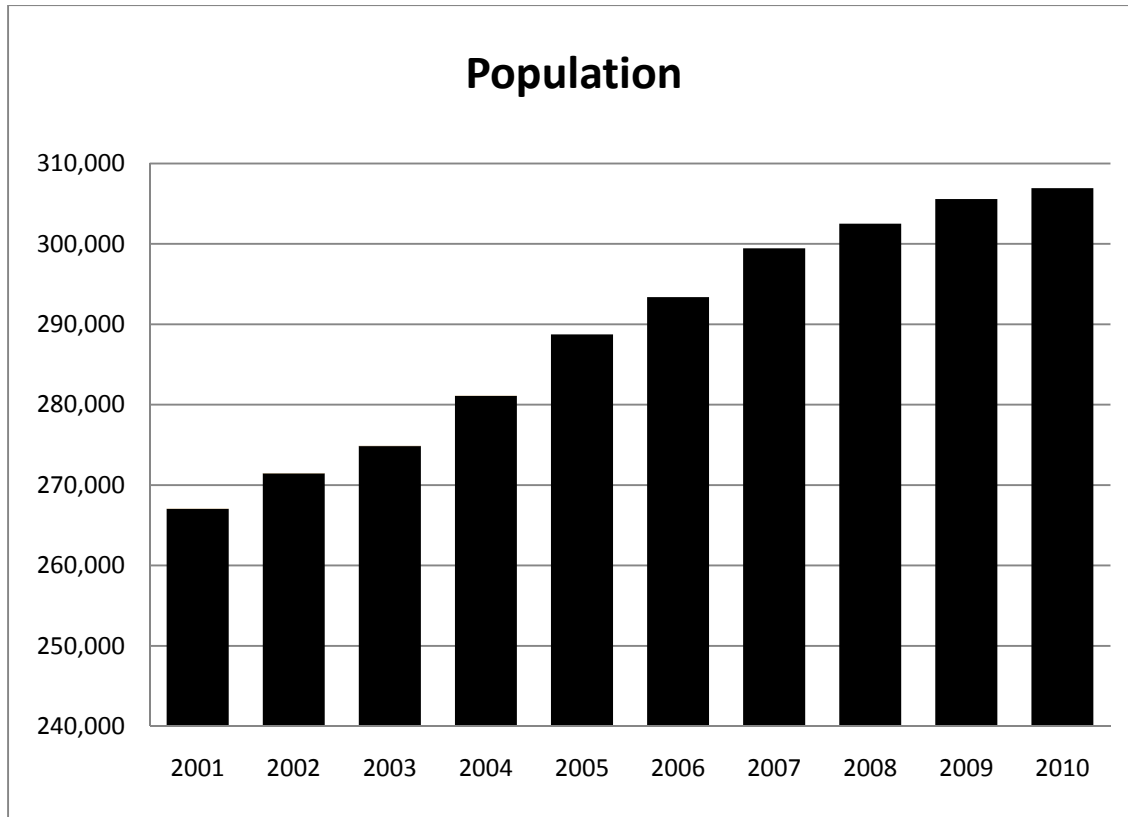
APPENDIX "C" STATISTICAL SECTION

POPULATION

According to 2010 Census data, the County of Henrico is the fifth largest locality in the Commonwealth of Virginia and the 2nd largest in the Richmond-Petersburg Metropolitan Region. Henrico has experienced a steady growth in population throughout the past ten years, averaging just under 2.0 percent growth per annum. Population estimates after the 2010 Census continue to show Henrico County maintaining its consistent growth pattern.

Source: U.S. Census Bureau, 2010 Census Data (FY2010); County of Henrico 2010 Financial Trends Monitoring System (FY2001 – FY2009)

Fiscal Year	Population
2010	306,935
2009	305,580
2008	302,518
2007	299,443
2006	293,382
2005	288,735
2004	281,069
2003	274,847
2002	271,440
2001	267,024



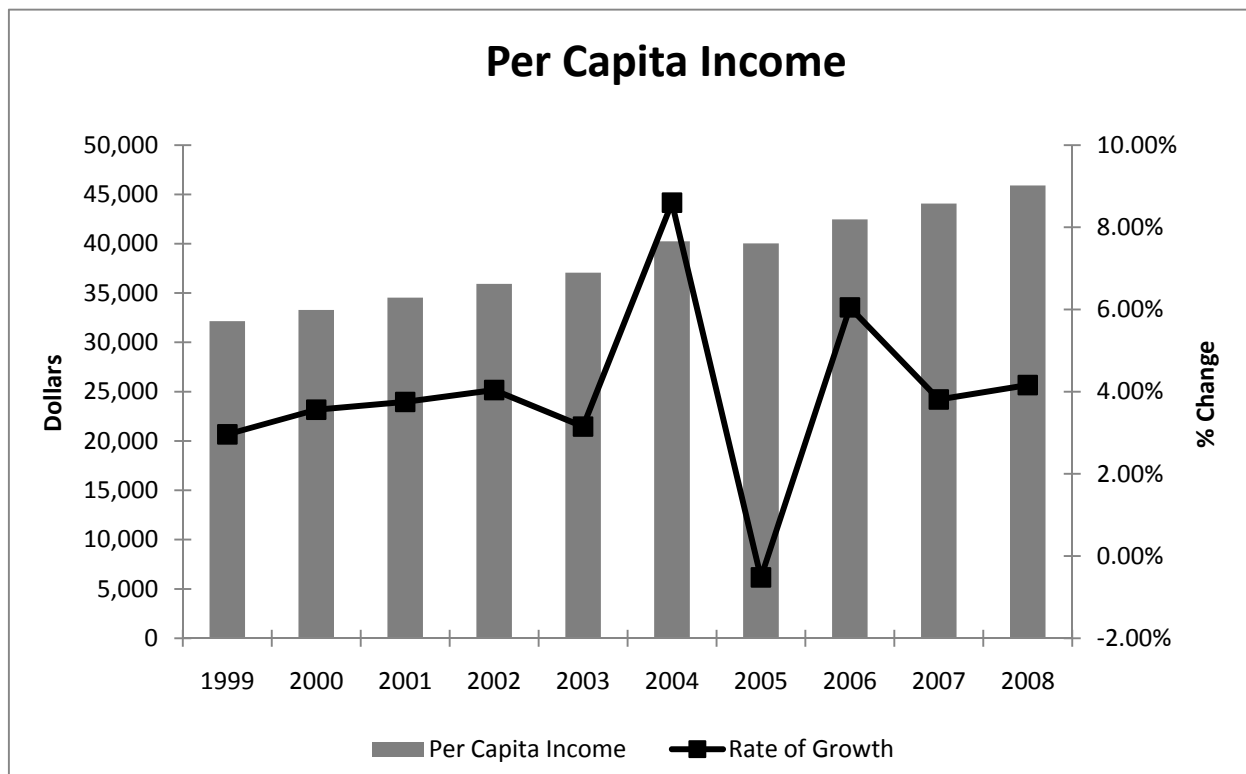
STATISTICAL SECTION

PER CAPITA INCOME

Per capita income is an important statistic in that County revenues tend to have a direct relationship with changes in this value. Furthermore, it is an accurate indicator of the County's growing wealth. Henrico County has experienced consistent growth in per capita income from the period of 1999 to 2008, averaging 3.9 percent growth per annum, with only a nominal decrease in 2005. The growth and stability in per capita income over this period is indicative of both a diverse economy and a dedicated local workforce.

Source: County of Henrico 2010 Financial Trends Monitoring System

Year	Per Capita Income	Rate of Growth
2008	\$ 45,911	4.16%
2007	\$ 44,079	3.82%
2006	\$ 42,459	6.05%
2005	\$ 40,036	-0.52%
2004	\$ 40,246	8.60%
2003	\$ 37,059	3.15%
2002	\$ 35,928	4.04%
2001	\$ 34,534	3.75%
2000	\$ 33,286	3.56%
1999	\$ 32,141	2.96%



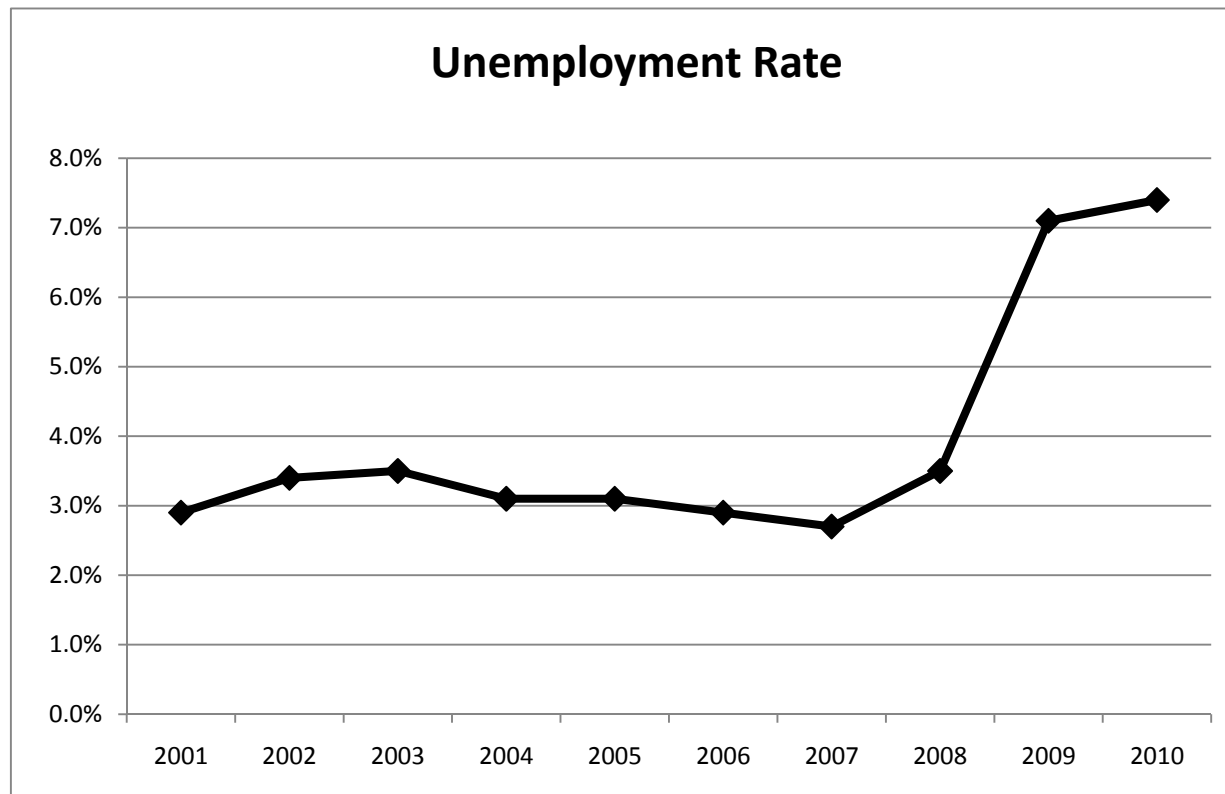
STATISTICAL SECTION

UNEMPLOYMENT RATE

The unemployment rate is highly indicative of changes in the economy and offers an accurate representation of the local economy. Over the past ten years, the County of Henrico has had an unemployment rate ranging from a high of 7.4% in 2010, to a low of 2.0% in 2001.

Source: County of Henrico 2010 Financial Trends Monitoring System

Unemployment	
Year	Rate
2010	7.4%
2009	7.1%
2008	3.5%
2007	2.7%
2006	2.9%
2005	3.1%
2004	3.1%
2003	3.5%
2002	3.4%
2001	2.0%



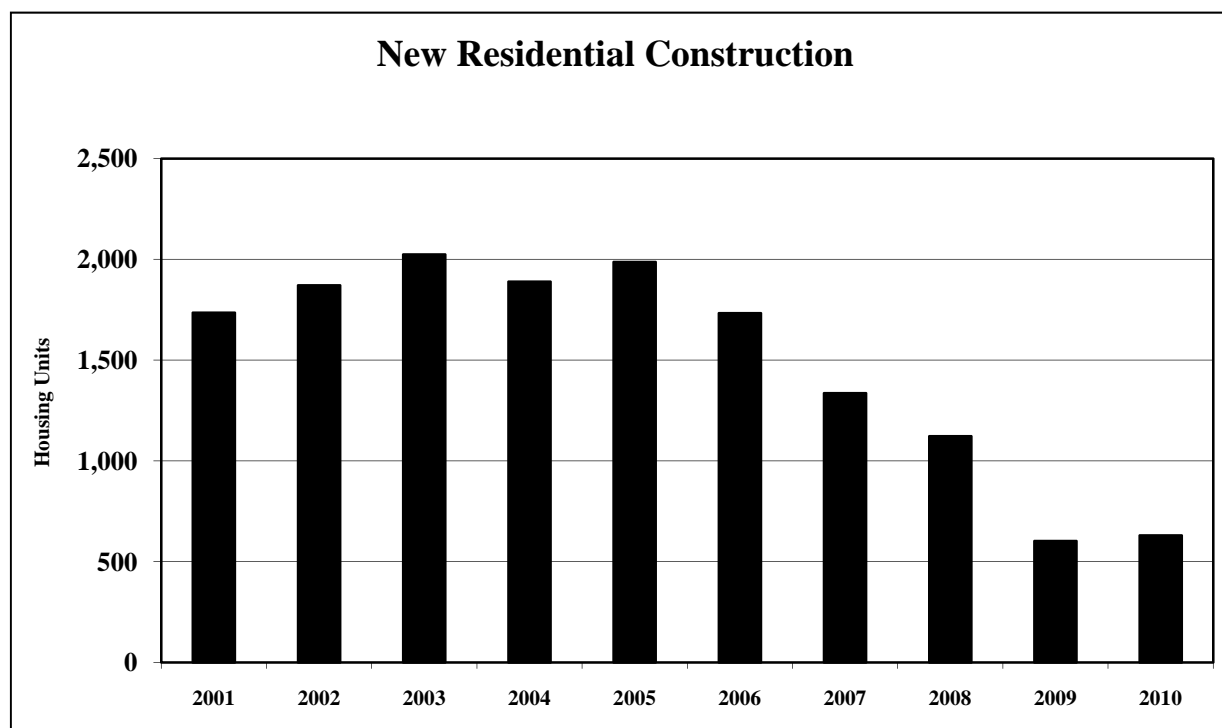
STATISTICAL SECTION

NEW RESIDENTIAL CONSTRUCTION

New residential construction is an important indicator in that steady building levels are indicative of a strong and stable economy. Between 2001 and 2006, residential construction averaged a total of 1,873 new single family permits issued per year. However, due to the economic downturn, in 2007 construction volume began to decline, with 2009 dropping to a ten-year low of 602, representing a 46% decline from the year prior. New residential construction maintained at below average levels through 2010, but showed modest improvement, increasing 4.7% from 2009.

Source: County of Henrico Department of Building Inspections

Fiscal Year	New Residential Construction
2010	630
2009	602
2008	1,122
2007	1,336
2006	1,733
2005	1,987
2004	1,889
2003	2,024
2002	1,871
2001	1,735



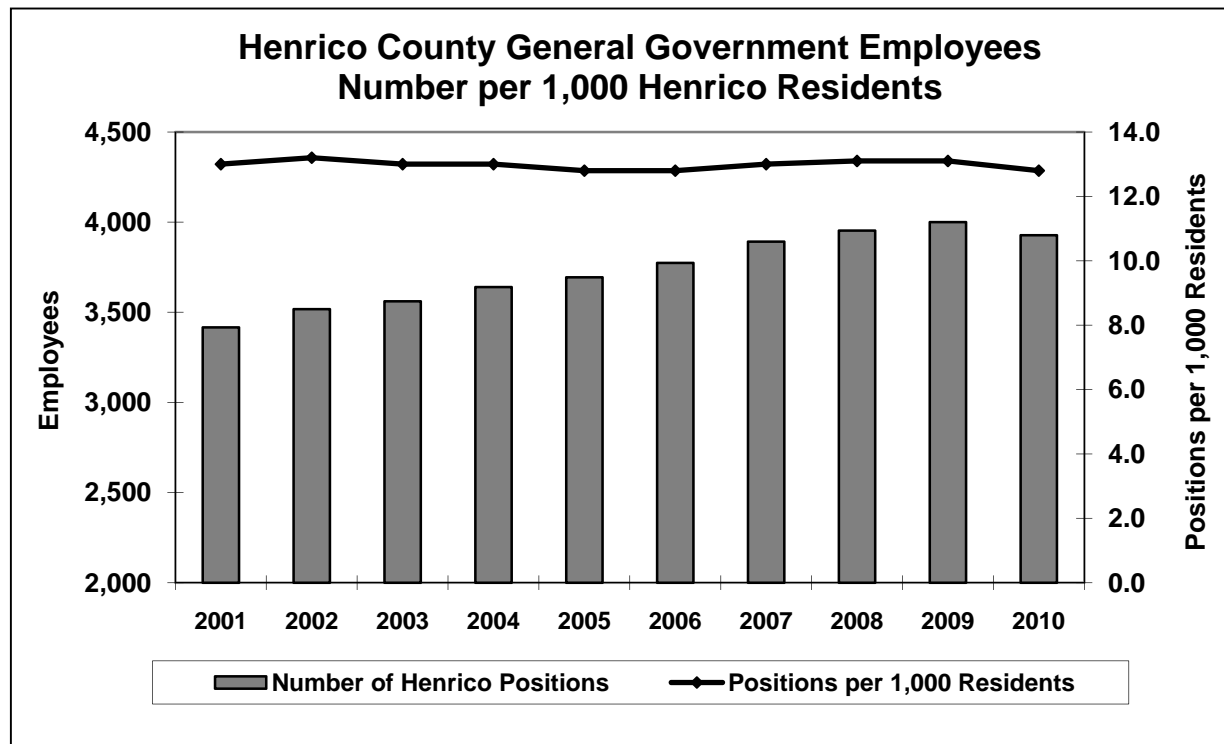
STATISTICAL SECTION

HENRICO COUNTY GOVERNMENT EMPLOYEES

The County of Henrico has averaged just under a 13.0 General Government Employees to County population ratio over the past ten years. This statistic includes all permanent employees of Henrico County, excluding employees of the School Board.

Source: County of Henrico 2010 Financial Trends Monitoring System

Year	General Government Positions	Positions per 1,000 Residents
2010	3,915	12.7
2009	4,000	13.1
2008	3,953	13.1
2007	3,895	13.0
2006	3,774	12.9
2005	3,694	12.8
2004	3,640	13.0
2003	3,561	13.0
2002	3,517	13.0
2001	3,416	12.8



STATISTICAL SECTION
HENRICO BUSINESS STATISTICS

HENRICO COUNTY'S PRINCIPLE TAXPAYERS

Taxpayer	Type of Property	2010 Assessed Value	Percent of Total Assessed Valuation
Virginia Power Company	Utility	440,809,316	1.2%
Forest City (Short Pump TC, White Oak)	Retail and Offices	370,297,200	1.0%
Verizon	Utility	308,808,485	0.9%
Highwoods Properties	Offices and Warehouses	258,164,500	0.7%
The Wilton Companies etal.	Office, Retail & Warehouse	222,756,700	0.6%
Liberty Property, LP	Offices and Warehouses	210,474,600	0.6%
General Services Corp.	Apartments	199,359,400	0.6%
Gumenick	Apartments	164,089,300	0.5%
United Dominion Realty Trust	Apartments	152,852,800	0.4%
Weinstein Family	Apartments	151,335,400	0.4%
		<u>2,478,947,701</u>	<u>6.9%</u>

Total Real Estate and Personal Property Assessed Valuation for Calendar Year 2010 was \$36,065,011,000

Source: Comprehensive Annual Financial Report, FY2009-10

STATISTICAL SECTION

ASSESSED VALUE OF TAXABLE PROPERTY

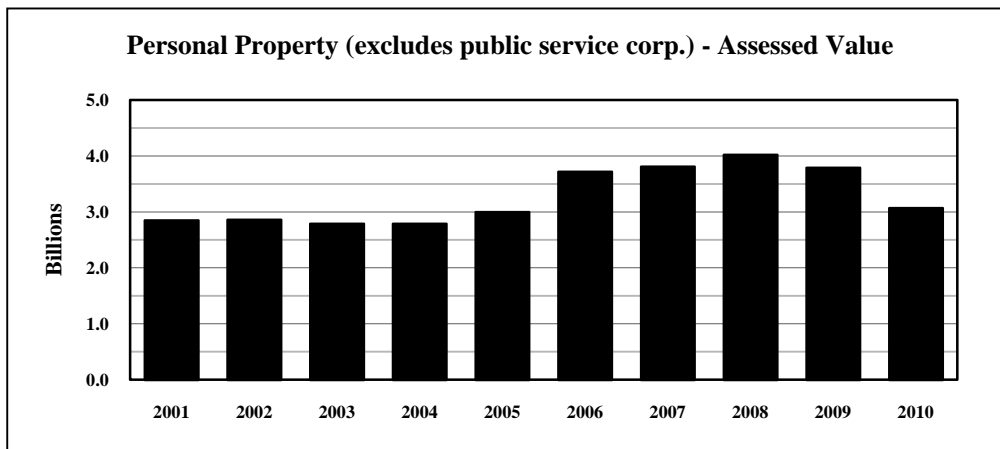
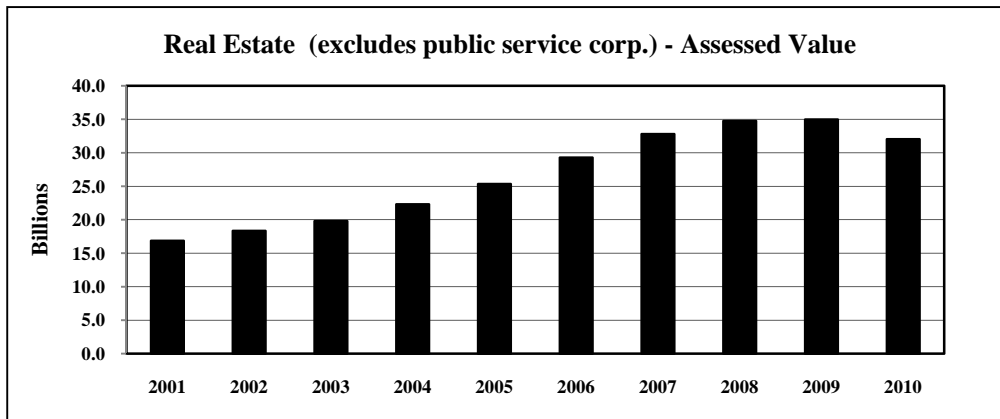
The assessed value of taxable property is a major indicator of the stability of a local economy. The assessed valuation of taxable property in the County of Henrico has experienced steady increases in most years. However the recession that began in 2007 and officially concluded in June 2009⁽¹⁾ has caused both slower growth and a reduction in value during this time, with the first significant drop in total real estate valuation occurring in 2010. The County, however, has averaged a growth rate of 6.9 percent per annum since 2001, despite the recessionary impediments to growth in recent years.

Source: Comprehensive Annual Financial Report, FY2009-10

⁽¹⁾ Source: National Bureau of Economic Research (NBER)

Year	Real Estate	Personal Property	Public Service	Total
2010	\$ 32,016,975	\$ 3,068,020	\$ 980,016	\$ 36,065,011
2009	34,975,868	3,789,013	916,479	39,681,360
2008	34,740,075	4,022,204	854,945	39,617,224
2007	32,787,682	3,807,727	854,321	37,449,731
2006	29,281,500	3,721,480	805,532	33,808,512
2005	25,334,756	3,030,117	803,377	29,168,250
2004	22,303,455	2,792,062	897,081	25,992,598
2003	19,801,486	2,790,989	876,697	23,469,172
2002	18,339,625	2,859,762	856,370	22,055,757
2001	16,857,472	2,853,452	833,107	20,544,031

(\$ in Thousands)



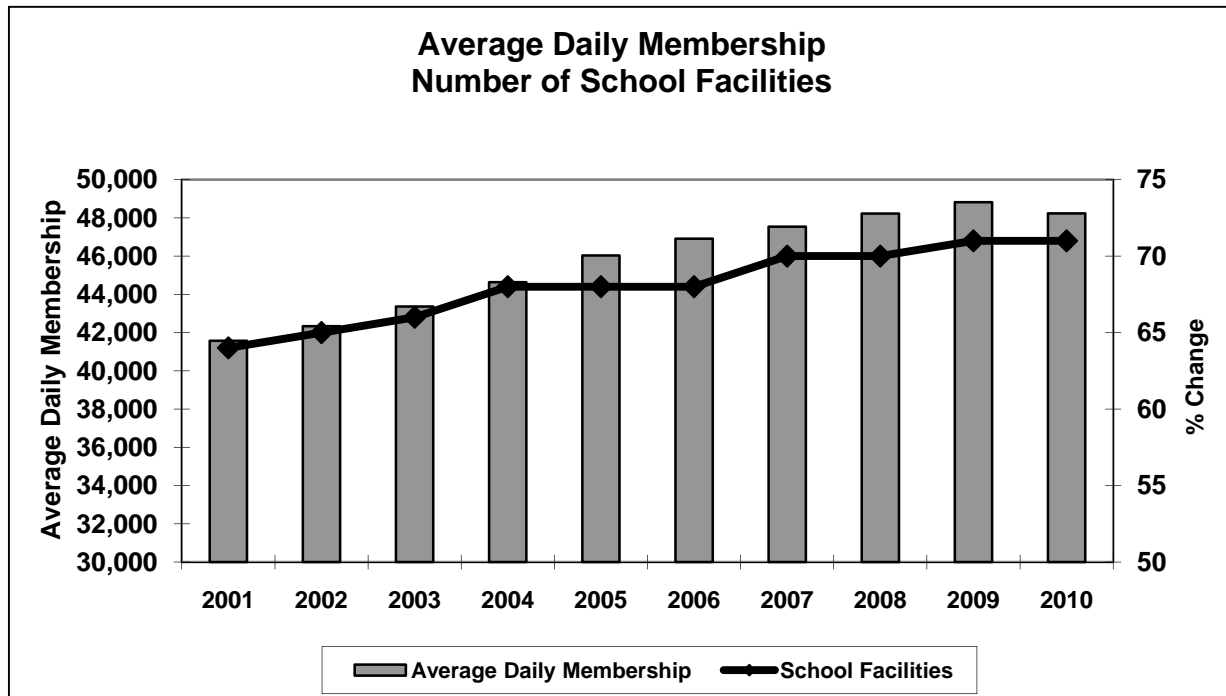
STATISTICAL SECTION

HENRICO COUNTY SCHOOLS

Since 2001, the average daily membership in Henrico County Public Schools has increased by a total of 16.0 percent, averaging 1.7 percent growth per year. During the same time period, the County of Henrico built ten new schools, and more are planned to open in upcoming years. As the chart illustrates, the County of Henrico has been able to effectively keep the number of facilities in a growth pattern that is consistent with changes in the student population.

Source(s): Comprehensive Annual Financial Report, FY2009-10

Year	Average Daily Membership
2010	48,232
2009	48,822
2008	48,226
2007	47,537
2006	46,910
2005	46,030
2004	44,637
2003	43,366
2002	42,333
2001	41,571



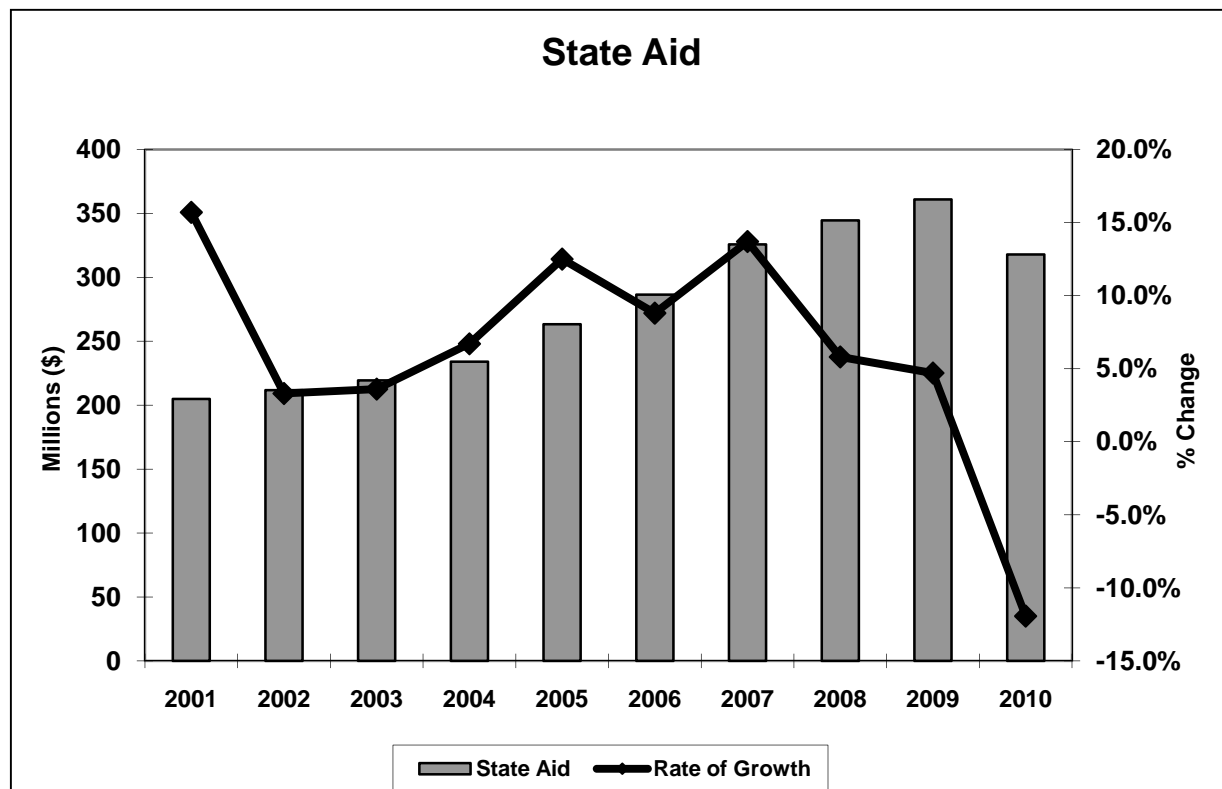
STATISTICAL SECTION

STATE AID-GENERAL FUND

This chart tracks the amount of General Fund aid received by the County of Henrico from the Commonwealth of Virginia since 2001. It should be noted that since FY1998-99, these figures include payments made by the State to Henrico for the Personal Property Tax Relief Act. The County received approximately \$43.1 million less in General Fund support from the State in 2010, a reduction of 11.9% from 2009.

Source: Comprehensive Annual Financial Report, FY2009-10

Year	State Aid	Change
2010	317,886,195	-11.9%
2009	361,001,730	4.7%
2008	344,569,613	5.8%
2007	325,745,512	13.7%
2006	286,448,006	8.8%
2005	263,338,403	12.5%
2004	234,079,657	6.7%
2003	219,388,084	3.6%
2002	211,727,327	3.4%
2001	204,726,861	15.6%



STATISTICAL SECTION

OTHER DATA

Over the past ten years, the County of Henrico has been able to increase services for County residents. During the same time period, Henrico County has maintained consistent tax rates and, in some cases, offered significant decreases.

Source(s): Comprehensive Annual Financial Report, FY2009-10, Approved Annual Fiscal Plan, FY2010-11

Year	Recreation Facilities	Library Facilities	Registered Voters	Fire Stations
2010	20	10	195,110	20
2009	20	11	195,683	20
2008	17	10	196,670	20
2007	17	10	175,943	20
2006	17	10	175,774	19
2005	15	10	172,764	19
2004	15	10	178,347	18
2003	14	10	167,706	18
2002	14	10	167,564	18
2001	10	10	164,840	17

PROPERTY TAX RATE (PER \$100 OF ASSESSED VALUE)

<i>Personal Property</i>							
Year	Real Estate	Aircraft	Veh. of Volunteer Rescue Squad Members	Specially Equipped Veh. for the Physically Handicapped/Disabled Veterans' Vehicles	All Other Personal Property	Machinery & Tools	Machinery & Tools Semi- Conductor
2010	0.87	1.60	1.00	0.01	3.50	1.00	0.40
2009	0.87	1.60	1.00	0.01	3.50	1.00	0.40
2008	0.87	1.60	1.00	0.01	3.50	1.00	0.40
2007	0.87	1.60	1.00	0.01	3.50	1.00	0.55
2006	0.90	1.60	1.00	0.01	3.50	1.00	0.55
2005	0.92	1.60	1.00	0.01	3.50	1.00	0.55
2004	0.94	1.60	1.00	n/a	3.50	1.00	n/a
2003	0.94	1.60	1.00	n/a	3.50	1.00	n/a
2002	0.94	1.60	1.00	n/a	3.50	1.00	n/a
2001	0.94	1.60	1.00	n/a	3.50	1.00	n/a

BOND RATINGS

Bond Type	Moody's	Fitch	Standard & Poor's
General Obligation	Aaa	AAA	AAA
Utilities Revenue	Aaa	AAA	AA +

Source: Department of Finance, County of Henrico

APPENDIX "D"

APPROVED TAX AND FEE SCHEDULE

Real Estate*

Tax Rate: \$0.87 per \$100.00 of the assessed value, including manufactured homes.

Tangible Personal Property*

Tax Rate: \$3.50 per \$100.00 of the assessed value. \$1.00 per \$100.00 of the assessed value for qualifying vehicles used by volunteer firefighters and volunteer members of rescue squads. \$0.01 per \$100 of the assessed value for disabled veterans' vehicles, and motor vehicles specially equipped to provide transportation for physically handicapped individuals.

Machinery Used for Manufacturing/Mining*

Tax Rate: \$1.00 per \$100 of the assessed value of the machinery and tools. \$0.40 per \$100 of the assessed value for machinery and tools used in semiconductor manufacturing.

Aircraft*

Tax Rate: \$1.60 per \$100.00 of the assessed value of the aircraft.

Sanitary District Tax*

In Sanitary Districts 2, 3, 3.1, 12 and 23 an additional tax is levied on real estate and personal property for the provision of street lights. The real estate rates are \$0.003, \$0.010, \$0.031, \$0.010 and \$0.010 per \$100 of the assessed value, respectively. The personal property rates are \$0.001 per \$100 of the assessed value for all sanitary districts.

Motor Vehicle License

License Fee: \$20.00 for a vehicle under 4,000 pounds and \$25.00 for a vehicle over 4,000 pounds. The license fee is \$15.00 for motorcycles.

Local Sales Tax

Tax Rate: The County receives 1.0% of the 5.0% collected on each purchase. The State of Virginia disburses these receipts.

Lodging Tax

Tax Rate: 8.0% of the total amount paid for room rental.

Utility Consumers' Tax

Monthly Commercial and Industrial Utility Tax Rates

Electric

Residential - \$0.70 plus the rate of \$0.007537 per kilowatt hour delivered not to exceed a maximum monthly tax of \$1.00.

Master Metered Units w/Residential Use - \$0.70 plus the rate of \$0.007537 per kilowatt hour delivered not to exceed a maximum monthly tax of \$1.00 per dwelling unit.

Commercial - \$1.15 plus the rate of \$0.00713 per kilowatt hour delivered not to exceed a maximum monthly tax of \$10.00.

Industrial - \$1.15 plus the rate of \$0.007603 per kilowatt hour delivered not to exceed a maximum monthly tax of \$10.00.

Natural Gas

There is no tax on the use of gas in either Residential or Commercial areas.

*For CY2011

Appendix "D" (cont'd)

Business and Professional Licenses

Tax Rates:

The first \$100,000 of gross purchases is excluded from the tax for item

- (1): \$100,001 to \$5,000,000 (\$.20 per \$100, \$25 min. tax)
- \$5,000,001 to \$15,000,000 (\$.15 per \$100)
- \$15,000,001 to \$25,000,000 (\$.10 per \$100)
- \$25,000,001 to \$50,000,000 (\$.05 per \$100)
- \$50,000,001 to \$100,000,000 (\$.025 per \$100)
- \$100,000,001 and over (\$.0125 per \$100)

Items (2), (3), (4) and (5) assess taxes on gross receipts. When gross receipts are \$100,000 or less, an application is required, but no tax is due.

- (2) Retail Merchant: \$0.20 per \$100.00, or \$30.00 minimum, of gross receipts exceeding \$100,000.
- (3) Professional Service: \$0.20 per \$100.00, or \$30.00 minimum, of gross receipts exceeding \$100,000.

- (4) (a) Contractor (Fee Basis): \$1.50 per \$100.00, or \$30.00 minimum, of gross fees exceeding \$100,000.

- (b) Contractor (Contract Basis): \$0.15 per \$100.00, or \$30.00 minimum, of gross receipts exceeding \$100,000.

- (5) Utility Companies (includes Cellular Telephone): One-half of 1.0% of the gross receipts, or \$30.00 minimum of gross receipts exceeding \$100,000.

Landfill Fees

Landfill: \$50.00 per ton for commercial refuse collected in Henrico; \$65.00 per ton for commercial refuse collected outside of Henrico; \$3.00 per visit effective April 1, 1998 to public use area by private citizens. Coupon books are available for purchase as follows: 15 coupons for \$40.00; 10 coupons for \$27.00.

Refuse Collection Charges

Frequency of Collection: Weekly
Collection Fee: \$15.00 per month

APPENDIX "E"
GENERAL FUND REVENUES

Function/Activity	FY 10 Actual	FY 11 Original	FY 12 Approved
Revenue from Local Sources:			
General Property Taxes:			
Current Real Property Taxes	\$ 283,810,673	\$ 275,890,000	\$ 273,200,000
Delinquent Real Prop Taxes	5,388,594	2,000,000	2,500,000
Land Redemption	9,403	55,000	55,000
Current Real Property Taxes - PSC	8,227,731	7,300,000	7,500,000
Current Personal Property Taxes - PSC	128,340	130,000	130,000
Current Personal Property Taxes	65,773,724	102,600,000	103,800,000
Delinquent Personal Property Taxes	1,607,749	750,000	1,200,000
Interest and Add-on - All Taxes	337,741	275,000	275,000
Total General Property Taxes	365,283,955	389,000,000	388,660,000
Other Local Taxes:			
Local Sales and Use Taxes	\$ 53,256,396	\$ 54,500,000	\$ 56,050,000
Consumer Utility Taxes	2,690,681	2,600,000	2,600,000
Business & Professional License Taxes	27,313,047	30,600,000	29,850,000
Motor Vehicle License Taxes	6,181,741	6,325,000	6,325,000
Bank Franchise Taxes	14,579,140	5,000,000	5,000,000
Grantor's Tax	669,591	900,000	900,000
County Recordation Tax	2,976,849	3,400,000	3,400,000
Hotel and Motel Tax	2,251,365	2,300,000	2,300,000
Hotel and Motel Tax - Optional 4%	4,502,726	4,600,000	4,600,000
Hotel and Motel Tax - Dedicated 2%	2,251,365	2,300,000	2,300,000
Daily Rental Tax	114,008	210,000	150,000
Pare-Mutual Wagering	56,319	80,000	80,000
Consumption Tax	1,136,197	1,200,000	1,200,000
Total Other Local Taxes	117,979,425	114,015,000	114,755,000
Permits, Privilege Fees, & Regulatory Licenses:			
Elevator Fees	\$ 45,582	\$ 34,000	\$ 34,000
Dog Licenses	243,101	160,000	200,000
Transfer Fees	6,821	10,800	10,800
Structure & Equip Permits	1,634,573	2,000,000	2,000,000
Septic Tank Permit	6,865	14,000	5,000
Going Out Of Business Permit	25	0	0
Public Utility Permit	625	5,500	5,500
Hauling & Moving Permit	495	300	300
Vacation Of Roads	600	2,500	2,500
High School Parking Fees	22,723	25,000	25,000
Taxi-Cab Certificates	12,935	6,300	6,300
Permit To Purchase Precious Metals	7,600	2,000	2,000
Municipal Library Court Fees	166,454	155,000	155,000
Adult Video/Bookstore Permit	400	0	0
Weekend Tournaments-Softball	5,150	7,300	7,300
Jury Fees	49,644	51,000	51,000
Administrative Fees-Delin. Tax	18	500	500
Zoning Application Fees-Plan	112,089	150,000	150,000

GENERAL FUND REVENUES

Function/Activity	FY 10 Actual	FY 11 Original	FY 12 Approved
<i>(Permits, Privileges Fees, & Regulatory Licenses con't)</i>			
Concealed Weapon Permit	50,878	25,000	40,000
School-Facilities Rental	329,980	350,000	350,000
Criminal Justice Training Academy	319,142	240,000	300,000
Dance Hall Permit Application Fee	2,400	0	0
Total Permits, Fees, and Licenses	3,018,100	3,239,200	3,345,200
Fines and Forfeitures:			
Traffic Violation	\$ 2,394,787	\$ 2,200,000	\$ 2,300,000
Parking Violation	24,182	50,000	25,000
False Alarm Penalty	60,588	65,000	65,000
Total Fines and Forfeitures	2,479,557	2,315,000	2,390,000
Revenue from Use of Money and Property:			
Interest on Criminal Judgments	\$ 71,904	\$ 65,000	\$ 65,000
Rental On County Property	502,269	300,000	350,000
Sale Of Publications	111	500	500
Records and Services Fees	76,143	74,000	74,000
Interest on Investment - Repos	3,127,722	9,000,000	9,000,000
Interest Refund - Real Estate Tax	(9,377)	0	0
Interest Refund - Personal Property Tax	(39,009)	0	0
Rental of County Property	68,136	68,000	68,000
Vending Machine Commission	55,083	50,000	50,000
Sale of Public Documents - Real Estate	813	1,400	1,400
Sale of Public Documents	1,185	2,500	2,500
Land Use Revenue	1,073	1,000	1,000
Recreation - Sale of Books	632	200	200
Sale of Vehicles - DPW	4,820	40,000	40,000
Sale of Publications - DPW	287	900	900
Sale of Surplus and Salvage - DPW	138,212	4,900	4,900
Sale of Signs - DPW	1,097	3,000	3,000
Sale of Vehicles - Administration	12,661	0	0
Sale of Equipment	62,134	50,000	50,000
Sale of Plats - DPW	0	1,000	1,000
Sale of Maps and Plans	259	0	0
Sale of Unclaimed Property	1,429	2,000	2,000
Sale of Maps & Plans - DPW	2,322	5,000	5,000
Sale of Vehicles - Schools	76,545	65,000	65,000
Sale of Property	2,740	0	0
Homeowner's Enhancement Guide	596	0	0
Total from Use of Money and Property	4,159,787	9,734,400	9,784,400
Charges for Services:			
RE Tax Cr-Rehab Fees	\$ 100	\$ 0	\$ 0
Residential Rehab Fees	550	0	0
Jail Booking Fees	56,477	40,000	40,000
Court Conviction Fees	624,909	400,000	600,000
Weekender Fee	57,004	40,000	40,000
Deep Run -Rentals	150	1,300	1,300
Sale of Text Books	0	5,000	5,000

GENERAL FUND REVENUES

Function/Activity	FY 10 Actual	FY 11 Original	FY 12 Approved
<i>(Charges for Services cont'd)</i>			
Overdue Books	362,756	300,000	300,000
Photocopying Fees	3,621	2,000	2,000
Charges for Lost Books	44,092	30,000	30,000
Miscellaneous Library Income	74,241	5,000	50,000
Non-Resident Fees - Library	8,912	7,200	7,200
Over/Under-Library	22	0	0
Sheriff Fees	36,366	36,000	36,000
Room & Board - Work Release Program	118,547	150,000	120,000
Home Incarceration Program - Sheriff	33,302	15,500	20,000
Inmate Medical Fees	141,163	35,000	35,000
Inmate Phone Charges	230,604	275,000	225,000
North Run Park Concessions	12,289	7,700	7,700
Pre-School Program	42,541	40,000	40,000
Cultural Arts Program	67,270	55,000	55,000
Senior Programs	32,206	31,600	31,600
Outdoor Programs	9,355	3,500	3,500
Therapeutic Programs	5,641	8,000	8,000
Special Interest Programs	65,071	70,000	70,000
Belmont Park Room Rentals	40,757	27,000	27,000
Picnic Kit Rental - Recreation	657	1,200	1,200
Shelter Reservations - Recreation	60,520	44,000	44,000
Non-Resident Fees - Softball	22,390	21,500	21,500
User Fees - Softball	48,180	50,000	50,000
Admissions for Meadow Farm Museum	14,304	4,800	4,800
Miscellaneous Revenue - Recreation	8,368	2,100	2,100
Day Camp Fees - Recreation	37,623	30,000	30,000
Basic Basketball Camp Fees	7,578	9,000	9,000
Three Lakes Park Nature Center	1,820	3,000	3,000
Non-Residential Fees - Football	0	300	300
User Fees - Football	62	800	800
Youth Basketball Registration	23,127	30,000	30,000
Dorey Park Concessions	13,675	3,300	3,300
Non-Resident Fees - Basketball	3,630	3,200	3,200
Non-Resident Fees - Volleyball	1,590	1,600	1,600
User Fees - Basketball	16,748	25,000	25,000
User Fees - Volleyball	2,385	4,000	4,000
Program Fees - Sports	11,575	10,000	10,000
Facility Rentals - Miscellaneous	930	2,200	2,200
Dorey Park Room Rental	28,901	24,000	24,000
Non-Resident Fees - Baseball	1,035	1,100	1,100
Tennis League	0	500	500
User Fees - Rugby	360	0	0
User Fees - Soccer	5,575	2,600	2,600
Non-Resident Fees - Soccer	210	0	0
User Fees - Lacrosse	915	400	400
Non-Resident Fees - Lacrosse	2,205	600	600
Confederate Hills - Room Rentals	29,993	28,000	28,000
Set Up Fees - Belmont	4,395	3,300	3,300
Set Up Fees - Confederate Hills	3,422	2,100	2,100

GENERAL FUND REVENUES

Function/Activity	FY 10 Actual	FY 11 Original	FY 12 Approved
<i>(Charges for Services cont'd)</i>			
Set Up Fees - Dorey	2,625	2,800	2,800
Set Up Fees - Hidden Creek	2,730	2,400	2,400
Set Up Fees - Facilities	4,200	1,100	1,100
Gazebo Rentals	485	600	600
Hidden Creek Room Rental	8,975	8,500	8,500
User Fees - Adult Baseball	510	0	0
Non-Resident Fees - Kickball	2,310	500	500
Henrico Field of Honor	1,705	0	0
Deep Run Room Rental	33,498	25,000	25,000
Set Up Fees - Deep Run	3,325	1,600	1,600
Twin Hickory Room Rental	2,940	7,300	7,300
Set Up Fees - Twin Hickory	980	1,800	1,800
Walkerton Room Rental	9,695	10,100	10,100
Set Up Fees - Walkerton	385	1,600	1,600
Non-Resident Fees - Golf	1,815	0	0
Hidden Creek Programs	285	0	0
Walkerton Programs	2,973	0	0
Twin Hickory Programs	2,120	0	0
Room Rental	49,440	0	25,000
School Tuition - Winter	12,125	15,000	15,000
Practical Nursing - Adult Tuition	1,238	35,000	35,000
Math - Science Center	113,080	95,000	95,000
Vacuum Leaf Collection	160,407	150,000	150,000
Commonwealth's Attorney Fees	12,710	12,000	12,000
Charge for Board of Animals	11,322	15,000	15,000
911 Service Charge	959	0	0
Cafeteria Receipts - County	168,507	295,000	295,000
Grass Cutting/Demolition	201,239	125,000	125,000
Cafeteria Catering Receipts	66,626	90,000	90,000
Charges for Data Processing	756,500	750,000	750,000
Community House SD#2 Collections	15,152	15,500	15,500
Withholding Fee Processing Charges	24,497	0	0
Non-consecutive Jail Time	792	0	0
Total Charges for Services	4,096,269	3,554,200	3,748,700
Miscellaneous Revenue:			
Blood Test/DNA Fees	5,721	3,900	3,900
Courthouse Maintenance Facility	115,474	90,000	90,000
Miscellaneous General	1,145	0	0
Circuit Court-Copy fees	12,247	0	0
HCA Patient Account	101,459	88,900	88,900
Fire - Miscellaneous Revenue	5,305	1,000	1,000
Police - School Guard Reimbursement	11,943	9,500	9,500
Primary Filing Fees	(352)	0	0
Pay-In-Lieu of Tax Other	4,215	0	0
Meadow Farm Gift Shop	2,379	4,500	4,500
Geographic Information System Program	866	20,000	5,000
Court Orders Restitution (Fire)	14,145	10,000	10,000
Recoveries and Rebates - Police	0	3,000	3,000

GENERAL FUND REVENUES

Function/Activity	FY 10 Actual	FY 11 Original	FY 12 Approved
<i>(Miscellaneous Revenue cont'd)</i>			
Recoveries and Rebates - General	357,388	250,000	250,000
NSF Check Fees	24,231	10,000	10,000
James River Dev. Corp.-Dividend	46,006	0	0
Richmond Center Reimbursement	4,561,499	2,300,000	2,300,000
Recoveries and Rebates - DPW	3,272	32,000	32,000
Recoveries and Rebates - Schools	15,510	50,000	50,000
Total Miscellaneous Revenue	5,282,453	2,872,800	2,857,800
Recovered Costs:			
Reimbursement of Prisoner Cost - New Kent County	880,810	900,000	1,000,000
Juvenile Detention - Per Diem from Other Counties	546	0	0
Recoveries - Hazardous Incidence Team	20,426	5,000	5,000
Charge for Office Space	111,337	111,000	111,000
Custodial Service	12,399	11,000	11,000
Bounty Fees - Sheriff	22,200	7,500	7,500
Payment for Fiscal Services	2,149,870	1,968,700	2,103,870
Sale of Vehicles - County	211,253	170,000	170,000
Recoveries and Rebates - Health	55,293	55,000	55,000
Payment for 100% Projects	58,342	95,000	95,000
Road Opening Damages	379,438	210,000	210,000
Interdepartmental Billing - DPW	131,759	73,000	73,000
Recreation and Parks - Payment for Services	140,164	175,000	175,000
Recovered Costs - Student Activity	127,106	140,000	140,000
Festival Permits	5,000	500	500
Recovery of Wages - School Facility	107,367	100,000	100,000
Lost/Damaged Textbook Payments	15,372	22,000	22,000
Total Recovered Costs	4,428,682	4,043,700	4,278,870
Total from Local Sources	506,728,228	528,774,300	529,819,970
Non-Categorical Aid:			
Rolling Stock	153,399	105,000	125,000
Mobile Home Sales and Use Tax	5,960	12,500	12,500
Recovery of Central Cost Allocations	466,474	475,000	475,000
Motor Vehicle Rental Tax	2,608,041	2,500,000	2,500,000
Car Tax Revenue - State	37,001,783	0	0
Overweight Truck Citations	10,144	16,000	16,000
Comm Sales Tax - HB#568	13,766,559	14,500,000	14,500,000
Total Non-Categorical Aid	54,012,360	17,608,500	17,628,500
Shared Expenses:			
Salaries - Sheriff	9,334,139	9,044,400	9,369,400
Fringe Benefits - Sheriff	1,092,984	650,000	625,000
Salaries - Clerk of Circuit Court	1,020,916	730,000	960,000
Circuit Court Excess Fees - State	422,653	500,000	500,000
State Recordation Tax	1,282,536	1,200,000	1,200,000
Salaries - Commonwealth's Attorney	1,503,474	1,450,000	1,450,000
Fringe Benefits - Commonwealth's Attorney	181,075	110,000	110,000

GENERAL FUND REVENUES

Function/Activity	FY 10 Actual	FY 11 Original	FY 12 Approved
<i>(Shared Expenses cont'd)</i>			
Office Expenses - Commonwealth's Attorney	31,158	0	0
Registrar Expenses	81,570	84,400	84,400
Salaries - Department of Finance	661,582	0	530,000
Fringe Benefits - Department of Finance	66,331	0	0
Total Shared Expenses	15,678,418	13,768,800	14,828,800
Categorical Aid:			
State Library Grant	204,596	190,000	175,000
Jail Cost Reimbursement	2,636,957	3,500,000	2,500,000
Share of Probation Expenses	5,956	12,000	12,000
Juvenile Detention - Per Diem from State	150	5,500	5,500
Block Grant - Detention Home	498,586	475,000	475,000
State Mediation Service Reimbursement	63,200	38,000	0
Law Enforcement - Police	8,524,731	7,250,000	7,350,000
Emergency Medical Services - Two for Life	255,061	205,000	205,000
State Fire Programs Fund	723,658	390,000	650,000
Hazardous Incidence Team Allotment	30,000	30,000	30,000
Auxiliary Grant for the Aged	211,379	160,000	160,000
Aid to Dependent Children	264,257	425,000	425,000
Auxiliary Grant for the Blind	24,404	0	0
General Relief	87,747	59,000	59,000
Regular Foster Care	1,234,900	250,000	250,000
Administration - VPA	2,431,286	1,344,300	1,344,300
Auxiliary Grant for the Disabled	325,511	225,000	225,000
Food Stamp Issuance	0	10,000	10,000
Purchased Services	475,984	264,400	264,400
Child Day Care Program	1,651,227	1,250,000	1,250,000
Family Preservation Grant	0	500	500
Respite Care - Foster Care	2,418	0	0
Street and Highway Maintenance - Gas Tax	29,543,547	28,745,000	28,745,000
English as a Second Language	1,243,156	1,231,000	1,229,000
Talented and Gifted Program	1,235,594	1,232,000	1,227,000
General Appropriation - Basic Aid	125,677,463	118,848,000	116,600,000
Foster Child Reimbursement - Schools	372,275	152,000	152,000
Textbooks	2,748,439	2,069,000	1,106,000
Social Security Reimbursement - Schools	7,138,989	6,515,000	6,846,000
Retirement Reimbursement - Schools	6,891,870	5,191,000	6,218,000
Group Life Reimbursement - Schools	192,204	273,000	245,000
Remedial Education	2,306,443	2,190,000	2,182,000
Lottery Funds - Education	1,918,624	0	0
Share of State Sales Tax - Schools	42,405,989	42,677,000	45,981,000
SOQ - Basic Special Education	16,666,794	11,279,000	14,483,000
Special Education - Homebound	114,347	119,000	117,000
Virginia Commission - Visually Handicapped	9,701	10,000	10,000
Vocational Education - Equipment	59,811	0	0
Vocational Education - Adm. & Supv.	352,895	505,000	479,000
Vocational Education - SOQ Occupational	2,690,850	1,670,000	2,209,000

GENERAL FUND REVENUES

Function/Activity	FY 10 Actual	FY 11 Original	FY 12 Approved
<i>(Categorical Aid cont'd)</i>			
Handicapped Foster Home - Schools	578,552	937,000	765,000
Other Categorical State	19,098	0	0
At Risk - State	1,512,747	1,455,000	1,449,000
Salary Incentive K-3	2,755,078	2,738,000	2,238,000
Adult Education - SOQ	66,593	40,000	40,000
ALS Training Fund Reimbursement	7,920	0	0
Clerk's Technology Fund	153,409	0	0
Composite Index Hold Harmless	0	0	682,415
Supp. Support for School Ops	0	0	420,585
Total Categorical Aid	266,314,396	243,959,700	248,814,700
 Total from the Commonwealth	336,005,174	275,337,000	281,272,000
Revenue from the Federal Government:			
ROTC	293,282	350,000	300,000
Emergency Management Assistance - Fire	17,504	27,000	27,000
Food Stamp Program	1,807,145	1,329,000	1,329,000
Family Support Payment	1,978,859	1,413,000	1,413,000
Low Income Home Energy	65,702	22,000	22,000
Foster Care	918,332	1,217,000	1,217,000
SCAPP Program-Sheriff	50,038	0	0
Allocated Eligibility Program	143,948	0	0
Adoption Assistance	300,018	174,800	174,800
Social Services Block Grant	448,255	1,096,000	1,096,000
Independent Living	63,739	90,000	90,000
Medical Assistance	1,095,533	1,161,000	1,161,000
Child Care and Development	1,895,048	1,716,000	1,716,000
Refugees	131,819	11,900	11,900
Child Care and Development - Match	2,148,131	1,979,500	1,979,500
Emergency Impact Aid Funding	0	125,000	0
Safe & Stable Family - State	623,509	148,000	148,000
Total from Federal Government	11,980,862	10,860,200	10,685,200
 Total General Fund Revenue	854,714,264	814,971,500	821,777,170
Transfers:			
To Debt Service - From Operating	\$ (50,070,508)	\$ (49,832,472)	\$ (52,854,043)
Total To Debt Service:	(50,070,508)	(49,832,472)	(52,854,043)
 To Capital Projects Fund - Schools - Roof/Mech	(2,500,000)	(2,500,000)	(2,500,000)
To Capital Projects Fund - Schools - Lottery	(942,628)	0	0
To Capital Projects Fund - General Government	(2,500,000)	(2,500,000)	(2,500,000)

GENERAL FUND REVENUES

Function/Activity	FY 10 Actual	FY 11 Original	FY 12 Approved
<i>(Transfers cont'd)</i>			
To Capital Projects (From Capital Reserve)	(9,150,000)	(3,565,242)	0
To Cap Projects - CIPS - 21-011	(2,527,170)	0	0
To Capital - Public Works Vehicle License Fee	(850,000)	(850,000)	(850,000)
Oper. Transfer to Capital Projects	(2,600,000)	0	0
Total To Capital Projects Fund:	(21,069,798)	(9,415,242)	(5,850,000)
 To Enterprise Fund - White Oak	(661,231)	(772,219)	(756,608)
To Enterprise Fund - To Water/ Sewer Capital	0	0	0
To Enterprise Fund - Belmont (Gaston)	0	0	0
Total To Enterprise Fund:	(661,231)	(772,219)	(756,608)
 To Risk Management	(9,277,368)	(4,364,026)	(4,369,790)
Total To Internal Service Funds:	(9,277,368)	(4,364,026)	(4,369,790)
 To Special Revenue Fund - CATC	(210,648)	(210,648)	(217,695)
To Special Revenue Fund - CCP	(131,146)	(136,024)	(137,023)
To Special Revenue Fund - COLA Reserve	0	(25,000)	(25,000)
To Special Revenue Fund - CSA	(2,304,491)	(3,591,280)	(3,715,970)
To Special Revenue Fund - CSA Medicaid Match	(436,039)	(457,841)	(337,950)
To Special Revenue Fund - Police Grants	0	0	0
To Special Revenue Fund - Victim Witness	(308,418)	(334,808)	(326,686)
To Special Revenue Fund - Drug Prosecutor	(62,164)	(52,855)	(69,563)
To Special Revenue Fund - VJCCCA	(482,486)	(543,363)	(546,544)
To Special Revenue Fund - MH/DS/SA	(12,074,954)	(14,572,670)	(14,434,355)
To Special Revenue Fund - Metro Aviation	(97,445)	(135,561)	(135,561)
To Special Revenue Fund - Curbside Recycling	(2,137,800)	(2,137,800)	(2,137,800)
To Special Revenue Fund - Bulky Waste	(239,002)	(239,002)	(239,002)
To Special Revenue Fund - Neighborhood Cleanups	(412,368)	(532,072)	(532,072)
To Special Revenue Fund - Bagged Leaf Collection	(84,471)	(155,127)	(155,127)
To Special Revenue Fund - Contingency Account	0	(75,201)	(75,201)
To Special Revenue Fund - Drug Court	(163,910)	(162,520)	(167,396)
Oper. Transfer to Special Revenue Fund	(9,900)	0	0
Total To Special Revenue Fund:	(19,155,242)	(23,361,772)	(23,252,945)
 To JRJDC Agency Fund - Operating	(2,606,479)	(2,606,479)	(2,606,479)
To JRJDC Agency Fund - Debt	(680,221)	(675,310)	(674,610)
Total To JRJDC Agency Fund:	(3,286,700)	(3,281,789)	(3,281,089)
 To OPEB - GASB 45	(6,000,000)	(3,000,000)	(3,000,000)
 Total Transfers	(109,520,847)	(94,027,520)	(93,364,475)
Total Resources Prior to Use of Fund Balance/ Sinking Fund	745,193,417	720,943,980	728,412,695
 (To) Desig Fund Balance-State Revs	0	0	0
Use of Fund Balance - Capital	5,000,000	5,000,000	5,000,000
Use of Fund Balance - designated - Capital Reserve	9,150,000	3,565,242	0
Use of Fund Balance - Gen Fund	(12,224,069)	0	0

GENERAL FUND REVENUES

<u>Function/Activity</u>	<u>FY 10 Actual</u>	<u>FY 11 Original</u>	<u>FY 12 Approved</u>
<i>(Transfers cont'd)</i>			
From Revenue Stabilization	750,000	11,548,345	10,248,671
(To) Revenue Stabilization	<u>0</u>	<u>0</u>	<u>0</u>
Net Fund Balance/Sinking Fund	2,675,931	20,113,587	15,248,671
Total Resources After Use of Fund Balance/Sinking Fund	747,869,348	741,057,567	743,661,366
 Total General Fund Resources	 <u><u>\$ 747,869,348</u></u>	 <u><u>741,057,567</u></u>	 <u><u>743,661,366</u></u>

APPENDIX "F"

ECONOMIC OUTLOOK

National Economy

“Economic activity in the United States expanded at a moderate pace, on average, in the second half of 2010 and early 2011. In the spring and early summer, a number of key indicators of economic activity softened relative to the readings posted in late 2009 and the first part of 2010, raising concerns about the durability of the recovery. In light of these developments – and in order to put the economic recovery on a firmer footing – the Federal Open Market Committee (FOMC) provided additional monetary policy stimulus during the second half of 2010 by reinvesting principal repayments from its holdings of agency debt and agency mortgage backed securities in longer-term Treasury securities and by announcing its intention to purchase an additional \$600 billion of Treasury securities by the end of the second quarter of 2011.” This was the introductory statement made by Ben Bernanke during testimony to Congress on March 1, 2011 as part of the Federal Reserve’s Semiannual Monetary Policy Report to Congress. As Mr. Bernanke’s statement implies, the U.S. economy did improve modestly in 2010 and through the first quarter of 2011, though the recovery slowed relative to that experienced through 2009, as the initial efforts to counteract recessionary impediments to growth began to wane. Despite this slowdown, on September 20, 2010, the National Bureau of Economic Research (NBER) determined that the “Great Recession” officially ended in June 2009, with an official length of 18 months, roughly the average length of recessions experienced in the United States that have been tracked by the NBER since 1857.

The United States technically entered what came to be known as the “Great Recession” in December 2007. Throughout 2008, 2009 and 2010, a number of efforts were made on the part of both the Federal Reserve and the Treasury Department to correct and/or mitigate any further deterioration in the financial markets and in the economy as a whole. In recognition of the severity of the situation, and in order to facilitate an infusion of liquidity in the market, in December 2008, the Federal Open Market Committee (FOMC) lowered the federal funds rate in the target range of 0.0 to 0.25 percent, and indicated that conditions could potentially warrant exceptionally low rate levels for some time. As of February 2011, the Fed Funds Rate remained at 0.00 – 0.25 percent, a level unchanged for over 25 months. However, despite these efforts, the economy began to deteriorate, and loan losses escalated, lending standards tightened and credit standards became more stringent, and despite the availability of inexpensive money, banks reduced lending. While many of the financially assisted banks recognized dramatic recoveries, smaller companies that relied on large banks to meet their short-term borrowing needs continued to find that their access to credit remained restricted. Similarly, access to credit for households has been constrained, despite lower mortgage rates. These newly established restrictive lending policies, stemming from increased market risk through high unemployment, poor housing statistics and general economic uncertainty, contributed to weakened loan demand. However, in spite of these enormous obstacles, the economy is making a slow, arduous climb toward pre-recessionary stability.

The FOMC has three primary weapons in combating financial crises: 1. Manipulating the Discount and Fed Funds Rates, 2. Physically injecting liquidity and lowering yields through large-scale bond purchase, a practice known as quantitative easing, and 3. Setting bank reserve requirements. Having already exhausted one of its tools through the lowering of the Fed Funds Rate, the Committee employed the use of another recession combating weapon in its arsenal – large-scale bond purchase – initiating the Large-Scale Asset Purchase (LASP) program, which sought to provide liquidity and lower yields to ease market conditions. The support provided by the Fed, which included purchasing Treasury securities en-masse on the open market, successfully catalyzed some growth in economic activity. Businesses began to draw down inventories from increased sales activity, resulting in increased production and sale of durable goods, and a return to profitability for many firms. Though companies began to slowly add to their payrolls, the unemployment rate (seasonally adjusted) grew steadily throughout 2009, averaging 9.3 percent, and maintained these high levels throughout 2010, averaging 9.6 percent. While the recession had been the deepest of its kind on record since the Great Depression of the 1930s, sustained unemployment, while high, fortunately did not achieve levels seen during more recent periods of significant economic hardship, such as those of the 1981 – 1982 recession, which saw unemployment spike at 10.8 percent in

the months of November and December 1982. As of February 2011, the unemployment rate stood at 8.9 percent, an improvement from the 9.7 percent recorded in February 2010.

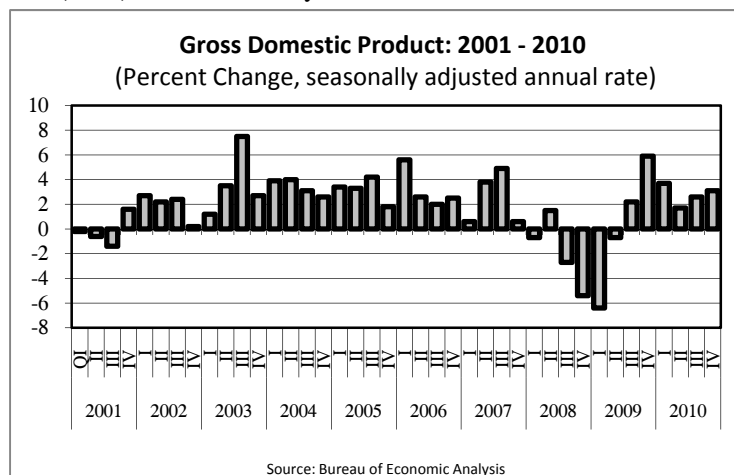
As the growth in Gross Domestic Product (GDP) began to slow through mid 2010, falling from 5.0 percent, to 3.7 percent, to 1.7 percent growth in 4Q 2009, 1Q 2010 and 2Q 2010 respectively, worry of a “double-dip” recession threatened to jeopardize the previous two years of economic recovery. While so-called “soft patches” are not uncommon during post-recessionary recovery periods, these are hard to distinguish from signals of more significant economic trouble, the likes of which might cause the economy to further recede. Given the concern over a double-dip recession provoked by softening economic indicators, and with core consumer price index (CPI) inflation at bay, in November 2010, the FOMC voted to again make large scale asset purchases in the amount of \$600 billion in Treasury securities to further stimulate financial and economic growth. Soon after this decision was made, an extension of the Bush Era tax cuts for wealthier Americans, as well as an extension of unemployment benefits and a one year payroll tax holiday was enacted. This was, in effect, a large consumer stimulus package amounting to \$858 billion, exceeding the first \$787 billion stimulus passed by Congress in February 2009. As positive 2010 year end economic data has been introduced, the economy again appears to be headed toward continued, yet tenuous growth in 2011.

While the consensus outlook is certainly positive, there is continued uncertainty, especially with respect to the housing market. The temporary increases in home prices and sales, spurred in part by the Homebuyer Tax Credit, dropped off considerably in 2010. There not only exists a surplus of housing, which has slowed new home construction, but the number of Americans who owe more on their homes than what they’re worth (underwater) continues to grow. In the fourth quarter of 2010, 23.1 percent of all mortgaged homes were underwater. That statistic is up from the third quarter of 2010, where 22.5 percent of homes were underwater. While the number of underwater mortgages had fallen the previous three quarters (1Q 2010 through 3Q 2010) that was primarily due to an increase in the number of foreclosures that removed the homes from the market that otherwise would have been included in the statistic.

Needless to say, these are difficult times, and the modest economic recovery that we’ve experienced is fragile and there continues to be risks that could cause growth in 2011 to deviate from economists’ forecasts. While aggressive government monetary and fiscal intervention was employed to avert even larger scale economic catastrophe, the success that has been experienced thus far must be carefully nurtured to overcome the significant economic obstacles that remain.

Economic Indicators

Most economists consider gross domestic product (GDP) as the best way to view the current condition of the national economy. It is important because GDP is considered as the broadest measure of economic performance as it monitors the final value of all goods and services produced within the United States. As seen in the graph to the right, the economy fell into a period of recession in 2001, as negative GDP growth occurred over the first three quarters of the year. From 3Q 2001 through 4Q 2007 the economy had seen positive growth in every quarter. Beginning in the second quarter of 2006, mostly due to weaknesses in the housing market, the economy began to transition from the rapid expansion experienced in the previous several years. This mediocre growth trend continued into the first quarter of 2008, before posting its first negative showing since 2001, while falling sharply in the third and fourth quarters of 2008, through the first quarter and second quarters of 2009, before rebounding in third and fourth quarters of 2009, with growth of 2.2 percent and 5.9 percent, respectively. GDP increased in each consecutive quarter of 2010, increasing 3.7 percent



in 1Q, 1.7 percent in 2Q, 2.6 percent in 3Q and 3.1 percent in 4Q. The increases beginning in 4Q 2009 and extending throughout 3Q 2010 are largely attributable to positive contributions from personal consumption expenditures (consumer spending), exports and non-residential fixed investment, however, these increases were partly offset by a decrease in inventory investment and in state and local government spending. The acceleration in GDP in 4Q 2010 was largely due to a significant decrease in imports, which are a subtraction in the calculation for GDP, while exports correspondingly increased, but were offset by decreases in non residential investment and inventories, as well as government spending.

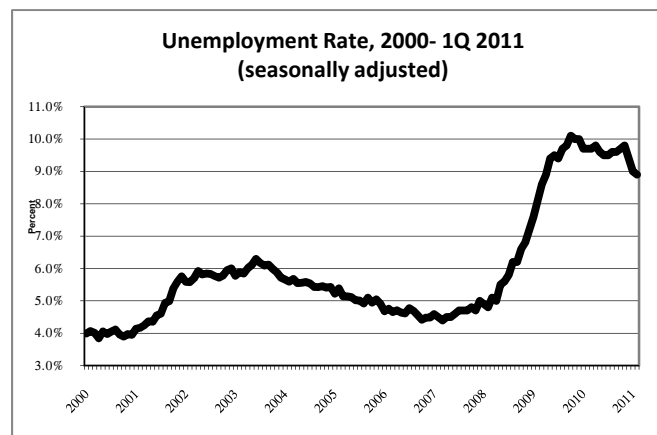
Recent financial market statistics reflect an improving economy, though the indices are still far from levels seen during the peak of 2007. The year saw significant improvements as the Dow, NASDAQ and S&P 500 all registered positive yearly growth in 2010, following a year that saw even more significant gains, as the bull market that reigned during 2009 rebounded from the catastrophic losses of 2008. Uncertainty and volatility defined the market in 2010, though positive gains were achieved in each of the three major U.S. market indices.

Equity Market Growth:	DJIA	NASDAQ	S&P 500
Jan-Dec 2010	10.3%	16.6%	12.3%
Jan 2001 - Dec 2010	9.6%	17.4%	(0.01)%

While stocks began the year strong, a number of factors, including European debt issues, poor labor statistics and underperforming economic indicators resulted in stock values dropping precipitously by mid-year. The primary issues that caused the decline were worsened by other issues such as congressional investigations into subprime mortgages, the BP oil rig disaster, and an automatic trading glitch on Wall Street that triggered a “Flash Crash”. The change in the political dynamic of Congress, as well as quantitative easing – a \$600

billion bond buying stimulus program – and an \$858 billion tax cut initiative, propelled the market to year-end gains of over 10 percent, 16 percent and 12 percent in the Dow, NASDAQ and S&P respectively.

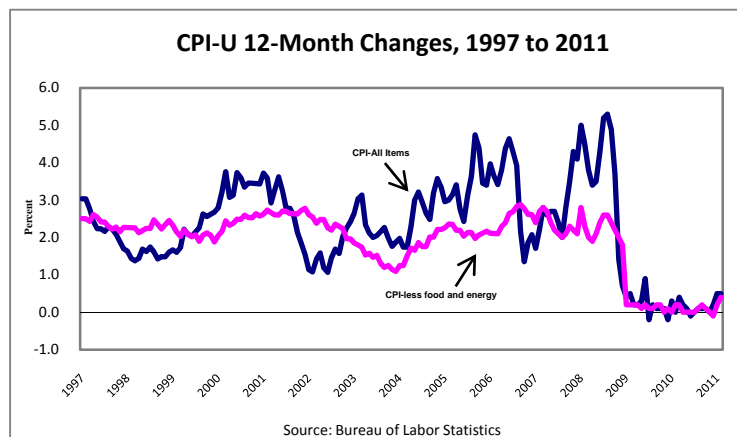
The labor market continues to suffer as a result of the recession. From 2004 through the first quarter of 2007, the national unemployment rate had experienced a steady decline, reaching a low of 4.4 percent during this period. Unemployment rose to 5.0 percent by December 2007, beginning an upward trend as a result of job losses in manufacturing, construction and retail. Significant decreases in employment occurred in those industries most directly related to the mortgage and credit crises, particularly construction, which by February 2011 had decreased by 2.2 million jobs and had an industry specific seasonally unadjusted unemployment rate of 20.0 percent. It is important to note that economists consider the natural unemployment rate, the rate at which the economy functions most efficiently, to be somewhere between 5.0 and 6.0 percent. In situations where the rate is lower, there is considered to be a surplus of jobs, and a shortage when rates are above the 5.0 percent mark. One trend of particular importance concerning the labor market is the number of discouraged workers among the potentially employable labor force. The Bureau of Labor Statistics defines these individuals as those that “have given a job market related reason for not looking currently for a job”, and thus are not counted in the unemployment rate.



Gradual economic improvement led to marginal increases in employment from 2Q 2010 through 4Q 2010. 1Q 2011 continued this trend, with employers adding over 400,000 jobs to their payrolls through the first quarter of 2011. The seasonally adjusted unemployment rate currently stands at 8.9 percent, falling slightly from 9.0 in January 2011, and down considerably from its high of 10.1 percent in October 2009. However, while unemployment has held (Jan – Feb) at 8.9 percent, this statistic continues to be somewhat understated due to the fact that the market is not only losing jobs, but the labor force is actually shrinking from exiting discouraged workers. Since the recession officially began in December 2007, an estimated 8.3 million jobs have been lost. As of February 2011, the number of unemployed persons was 13.7 million. While this number is shockingly high, the actual impact is further understated when population growth is taken into consideration. Under normal

conditions the labor market would have naturally added some jobs relative to growth from December 2007 to the present, merely to keep up with the natural growth in population. During the recession and subsequent recovery, the defensive posture of preserving job loss, rather than adding jobs as growth necessitates, means that the market would need to add millions more jobs than those lost over the course of the recovery to equal the pre-recession level of employment.

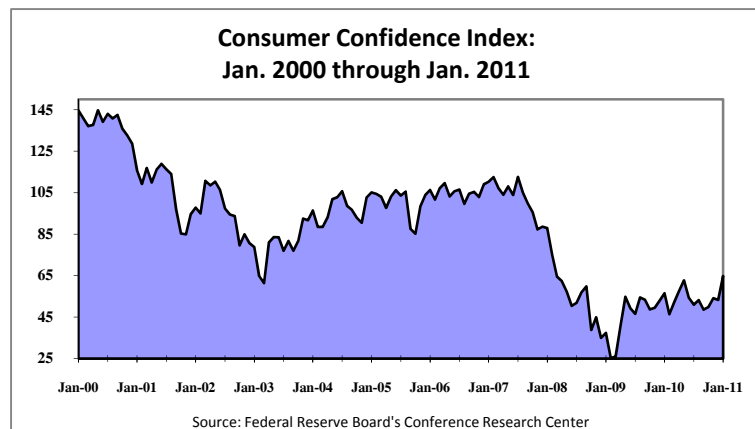
The Consumer Price Index (CPI-U) is an economic indicator most commonly referred to when measuring inflation in the United States. In the twelve months between January 2010 and January 2011, the percentage



change in the CPI-U (not seasonally adjusted) rose from 0.3 percent to 0.5 percent, averaging just a 0.1 percent monthly change in 2010. The index increased 1.5 percent for all of 2010, after increasing 2.7 percent the year prior. The energy index rose by 7.7 percent in 2010, after increasing 18.2 percent in 2009. Energy prices trended significantly upward in the second half of 2010, with the index rising 24.5 percent (seasonally adjusted) and 33.9 percent in the third and fourth quarters respectively. Household energy prices rose just 0.8 percent in 2010, after

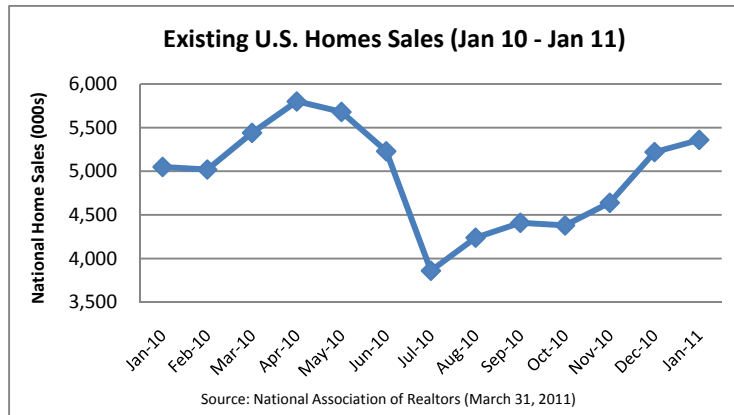
registering a 4.9 percent decline in 2009, while food prices increased at a rate comparable to inflation, at 1.5 percent in 2010. Despite a steady rise in the energy index, including gasoline, fuel oil and natural gas, the overall change in the CPI-U for all items was moderate in 2010.

One of the most important economic indicators is the Consumer Confidence Index, as it measures the level of faith that consumers have in the current economy. The consumer market is especially important as it comprises two-thirds of the nation's economy. During economic downturns, Americans typically become less confident in the economy. This was the case for several years following the economic recession of 2001, as can be seen in the graph to the right. As economic downturns become longer and consumers observe continued negative economic reports, the level of consumer confidence tends to decline. Conversely, confidence tends to increase with positive economic and political news, especially increases in employment levels. Beginning in late 2007 and lasting throughout 2010, consumer confidence remained low. Even though the economic environment has improved modestly, individuals have still been less likely to spend, and those who would like to are unable to do so as a result of restricted access to credit. In February 2009, consumer confidence hit a historic low of 25.3, down from 37.4 the month prior, reflecting the pessimistic attitude toward the state of the economy that was widely shared among Americans. The index increased significantly in 2010 from its low of 2009, with February 2010 registering 46.4 – an 83.4 percent, February to February increase. Consumer confidence continued to rise in the first half of 2011, with January 2011 rising 11.5 points to 64.8 from December's figure of 53.3, largely from improving jobs data. The results of individuals surveyed indicated a 2.5 percentage point decline concerning the difficulty in getting a job, the best reading in this statistical category in two years.



New and existing home sales, one of the principal drivers of consumer spending over the past several years, fell dramatically from 2006 through 2008. Although there was incremental improvement in 2009, in 2010 average sales figures remained relatively flat from the prior year, despite a dramatic dip in July. Home sales activity

increased monthly in 2009 and the first quarter of 2010 as the homebuyer tax credits of \$8,000 for new homebuyers, and \$6,500 for existing homebuyers incentivized some to buy homes. However, with an April 30, 2010 home purchase deadline for program eligibility, the precipitous drop from May through July 2010 could largely be attributable to the cessation of the program at that time. Home sales have since moderated, as sales prices dropped correspondingly to reduced demand.

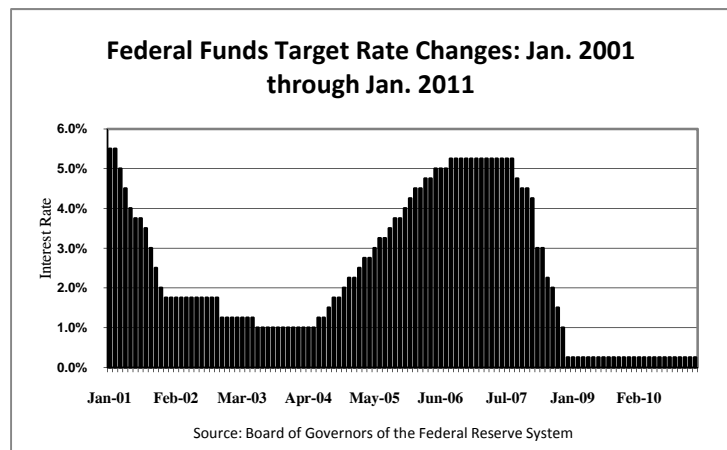


From January 2010 to January 2011, home sales increased 5.3 percent, attributable to favorable housing affordability conditions. As of this writing, the inventory of unsold homes on the national market is approximately 3.4 million housing units, or a 7.6 month supply based on the current pace of sales. This is 180,000 units, or a 1.3 percent reduction from the 2010 national average monthly supply. Building permits and new residential construction, while having increased in 2009 from a dramatic drop in 2008, moderated in 2010. Building permits issued in January 2011

totaled 562,000 nationally, down 10.7 percent from the January 2010 rate of 629,000. New residential housing starts numbered 596,000 in January 2011, a 2.6 percent decrease from the January 2010 rate of 612,000.

The national median existing home price in January 2011 was \$158,800, representing a 3.7 percent reduction from the national median home price registered in January 2010. This is slightly worse from last year's year over year assessment, which reflected relatively no change from January 2009 to January 2010. In addition to other factors, the downward adjustment in median sales price was partly attributable to the purchasing characteristics of first time homebuyers. Distressed sales, which typically sell for 20 percent below market price, are the kind that have been commonly sought by first time buyers and represented approximately 37 percent of transactions in January 2011. As a note, as home sales volume moderated in mid 2010 following the end the Homebuyer Tax Credit Program eligibility period, prices fell corresponding to the reduction in demand.

Beginning in September 2007, the Fed initiated the first of five rate cuts, when in March 2008 an unexpectedly favorable assessment of the CPI prompted a 75 basis point rate cut, bringing the rate to 2 ¼ percent, the lowest since 2004. While inflation has been an ongoing and key issue monitored by the Fed, it can be inferred through their actions over the past two calendar years that combating the credit crisis and addressing the lack of liquidity in the financial markets has been a more pressing issue. It is, however, important to note that rate cuts typically are necessary to facilitate growth through capital investment, by encouraging financial institutions to lend money, and to increase the value of the equity market. It is the job of the Federal Reserve to find the appropriate rate at which growth is stimulated, while not unreasonably contributing to inflationary pressures.



Despite its efforts to provide a balance between loosening a tight credit market, while also addressing the issue of inflation, the Fed had little choice but to continue to cut the Federal funds rate. By December 2008, the Fed had lowered the rate 8 times, for a total of 325 basis points for the year, ending at a level of 0.00 – 0.25 percent, with the Fed at this time indicating that "economic conditions are likely to warrant exceptionally low levels of the

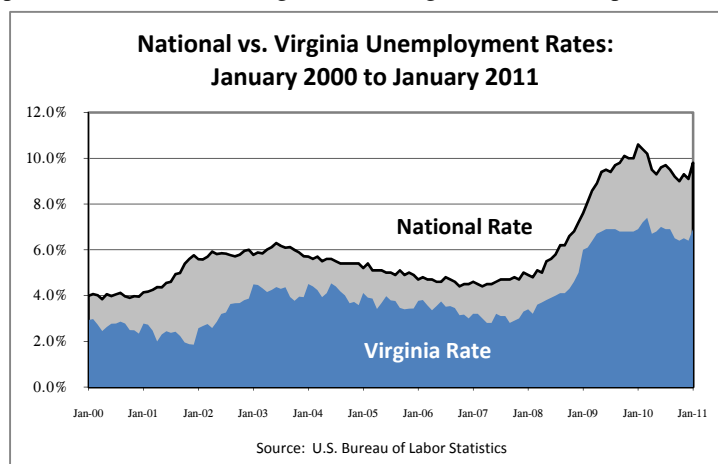
federal funds rate for some time." The Fed funds rate has remained at this level since December 2008, and as of February 2011, represented over 25 months unchanged at effectively a 0.00 percent rate of interest. However, as previously mentioned, the access to credit for both businesses and individuals has remained restricted, despite the continuation of historically low interest rates.

Virginia Economy

As the national economy has experienced booms and contractions over the years, the Virginia economy has largely followed the economic trends experienced by the United States. While the State economy generally follows the lead of the nation, the Commonwealth has outperformed the national economy in several economic indicators. Population growth and per capita income have both outpaced national levels. The Commonwealth of Virginia has experienced a lower unemployment rate than the majority of the country for many years. Other indicators, such as new business incorporations, new vehicle registrations, and manufacturing production employment seem to mimic national trends.

According to the 2010 U.S. Census, the population in the State of Virginia now stands at 8,001,024, an increase of 922,509, or 13.0 percent from 2000 Census figures. Virginia remains the twelfth most populous state in the Country. Over 80.0 percent of the State's growth during this period was concentrated in three major metropolitan statistical areas, with the greatest occurring in Northern Virginia, which accounted for roughly 55.0 percent of growth, followed by metropolitan Richmond at 17.0 percent and Hampton Roads at 10.0 percent. During the same time period the national population increased by 9.7 percent, 3.3 percent less than the growth experienced in Virginia. In addition, Virginia is also one of the most educated states in the U.S., with 33.6 percent of persons 25 years of age or older having a bachelor's degree or higher, ranking sixth among the states. Correspondingly, with a 2009 per capita personal income of \$44,129 and an average annual wage and salary disbursement of \$49,554, Virginia ranks seventh and eleventh among the states, respectively in these categories. While the average salary in the U.S. fell by 2.6 percent from 2008 to 2009, the Virginia state average declined by only 0.5 percent, a comparison that reinforces Virginia's strong economic position in the U.S. It should be noted that 2009 State per capita personal income data represents the most recent data available.

While the population of the Commonwealth was estimated at over 8 million as of April 1, 2010, the level of growth has recently been slower than that experienced in the first half of the decade. From 2000 through 2006, the average year over year population growth was roughly 1.3 percent, while growth from 2007 through 2010 (As of April 2010) averaged just over 1.0 percent growth. While the growth rate has yet to return to levels observed prior to the recession, higher rates of growth are anticipated. Virginia's population growth equation is comprised

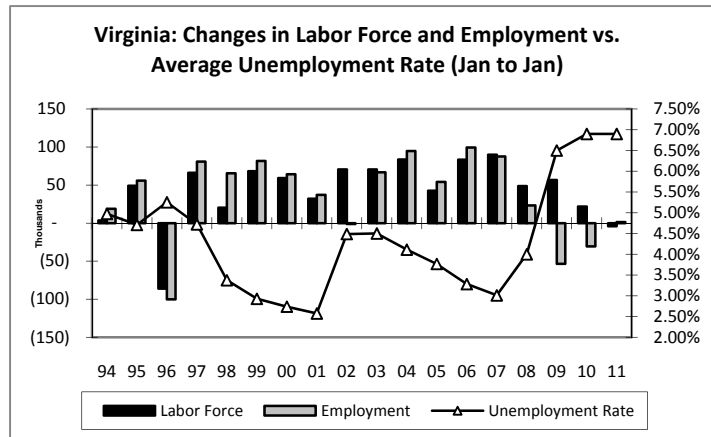


of two elements; natural increases, resulting from more births than deaths, and net in-migration, the net difference between individuals moving in and leaving the state. In recent years, these two figures as a percentage of the total population growth statistic have been relatively even. However, in the second half of the decade, the balance between these two contributing factors has grown less even, with natural increases exceeding migration into the state. This phenomenon was likely caused by economic conditions that resulted in a stagnant housing market and limited job prospects, factors that limited mobility. However, from 2009

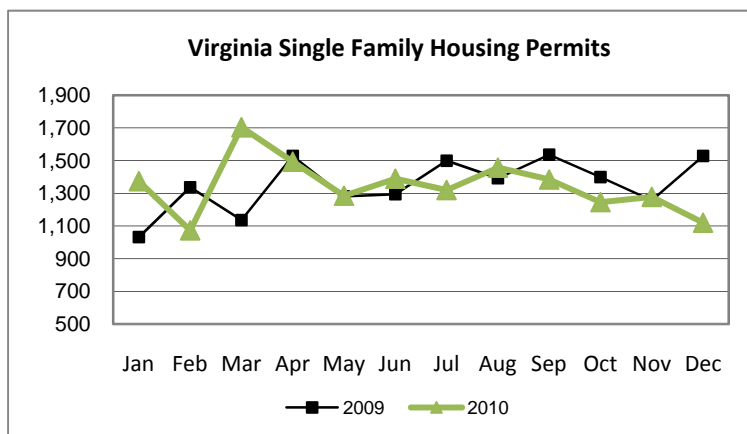
through 2010, growth in the state was such that the net migration for the eleven year period 2000 – 2010 rose to a level equivalent to natural growth, with each component rising 6.5 percent to comprise the 13.0 percent total population growth statistic. The rise in in-migration, returning to a balance between natural and migration factors, is encouraging, as it is an indication that Virginia's labor market, as well as its numerous amenities are competitive relative to the nation. From 2003 to 2007, national and state unemployment rates steadily decreased. In 2007, when the economy began to crumble, unemployment rates began to rise, with the national rate spiking at

10.1 percent in October 2009, before moderating to 9.7 percent by January 2010. Despite the economic hardships experienced throughout the country, according to the U.S. Bureau of Labor Statistics, Virginia had the 9th lowest seasonally adjusted unemployment rate average in the nation as of February 2011, registering at 6.4 percent. The unemployment rate for the nation during the same time was 8.8 percent, indicating that even during times of economic difficulty Virginia continues to fare better than most states in the U.S.

Typically during periods of normal growth, throughout the state the level of job growth varies significantly by geographic area. The northern portion of the state, which offers the highest concentration of professional and business services, as well as technology and federal contracting jobs, accounts for more than one-half of the state's job growth. Industrial and manufacturing labor, which is concentrated in the southern portion of the state, accounts for the remainder of the state's job growth. In the national unemployment rankings, Northern Virginia is not treated as a separate area, but as part of the Washington, D.C./Virginia/Maryland/West Virginia metropolitan area. Employment in the Richmond Metropolitan Area, one of nine publishable metropolitan statistical areas in Virginia, was 596,354 in January 2011, which is up 1,421 jobs, or 0.20 percent from January 2010. However, looking back over a three year period, regional employment is down 27,320 since January 2008, representing a 4.4 percent decline. Since the recession began, the area has experienced significant job loss due to business closings, particularly in the trade/transportation, manufacturing, and finance industries.



While population and unemployment are important indicators, other business economic indicators are vital in analyzing the performance of the Virginia economy. Since many other sectors of the economy feed off of new home construction, one significant indicator is the number of single family building permits issued. 2010 saw a modest decrease from 2009, with 16,123 permits issued for the year, representing a decrease of 113 permits, or eight-tenths of a percent from the prior year. The lackluster performance in this statistic roughly approximated the national housing trend for 2010. The continuation of low numbers is partly attributable to the surplus of inventory on the market from foreclosures, weakened consumer demand and insufficient access to credit. While the year over year difference in single family housing permits is nominal, it doesn't truly reflect the reduction in

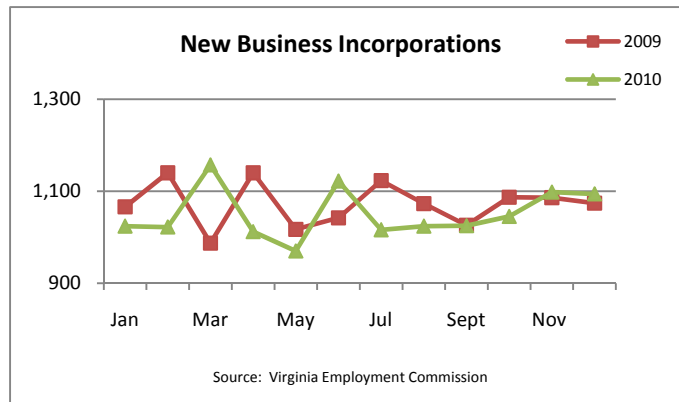


permits that has occurred since the recession began. To put in perspective the significant drop in residential building from pre-recession levels, in 2009 and 2010 there were 16,236 and 16,123 building permits issued respectively, which represents decreases of 44.8 and 45.2 percent respectively, from the 29,434 permits issued in 2007.

Despite the modest increase in demand for housing related to the Homebuyer Tax Credit – which in July 2010 extended the closing deadline to September 30, 2010 – it has been the opinion of real estate agents and industry analysts that the credit did little to perpetuate upward sales momentum. Home prices have stabilized, but are still below their 2006 peak, and many existing homeowners currently owe more on their homes than what they're worth. While the efforts to modify loans that were facing foreclosure has been ineffective, there exists the potential for many new homes to continue to be added to the existing over-saturated inventory, which should act

to depress prices, and further dissuade builders from obtaining permits, given the gross supply and demand imbalance that will likely exist.

Virginia is a very attractive location for businesses as it features a low tax burden, business-friendly laws, and an aggressive economic development program. New business incorporations are one way in which the soundness of the State economy is measured. Due to the fact that the incorporation of a new business requires a large investment, this indicator is tied heavily to perceptions of the state of the economy. In 2010, 12,609 new businesses were incorporated, representing a reduction of 250, or 1.9 percent from 2009. However, the 2009/2010, year over year decrease actually represents an improvement from the prior year reduction. In 2009, 12,859 new business incorporations reflected an 18.4 percent decrease from the 15,765 incorporations registered in 2008. The most recent statistics continue a relatively downward trend that began in late 2005 and has accelerated since the recession began in 2007. General economic uncertainty, compounded by historically low consumer confidence has strongly affected business growth, and correspondingly, the number of new business incorporations in the state.



Following three straight years of decreased automobile sales in Virginia, 2010 improved upon the prior year's sales figures. According to the Virginia Employment Commissions' *Virginia Economic Indicators* publication for the fourth quarter of 2010, the newest of such publications, 359,069 vehicles were registered in the state during 2010, compared to 328,328 registered in 2009, an increase of 9.3 percent. However, looking back to 2008, this figure represents a decrease of 77,934, or 19.2 percent, and is a reflection of consumers' continued lack of confidence in the economy. It is important to note that, prior to the recession and the subsequent automotive industry crisis, even during the periods in which auto registrations decreased in Virginia, the market had historically remained one of the strongest pieces of the economy. Low interest rates and other financing incentives supported strong sales in the years leading up to the nation's economic decline. However, the economic climate, fuel price volatility, and drastic changes in consumer behavior contributed to a precipitous decline in automobile sales from 2007 through 2009. Domestic auto manufacturers rebounded in 2010, with sales of approximately 11.5 million new cars and trucks. Chrysler's sales rose 17 percent, Ford Motor Company's sales rose 15 percent, and General Motors Company's sales rose over 6 percent in 2010. However, despite these increases, overall automotive sales in 2010 were still the second worst in nearly three decades, the lowest being 2009.

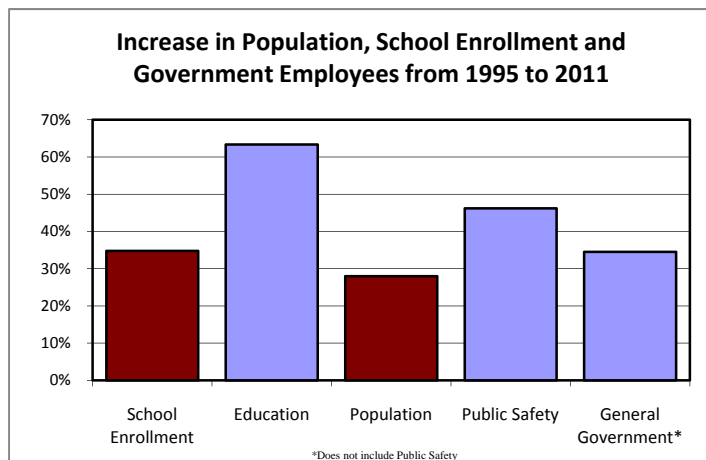
Although some of the previously mentioned statistics show a decline in select areas, it is important to note that over the past several years, Virginia has continually maintained one of the strongest state economies in the country. According to the Bureau of Labor Statistics, as of February 2011, Virginia's seasonally adjusted unemployment rate was 6.4 percent, 2.4 percent lower than the U.S. rate of 8.8 percent, representing the 9th lowest monthly unemployment rate in the U.S. While 2009 saw approximately 126,000 jobs lost statewide, which represented 3.4 percent of non-farm employment, 2010 registered an increase in employment. From January 2010 to January 2011 (seasonally adjusted) Virginia increased its total non-farm employment from 3,613,200 to 3,643,400, an increase of 30,200, or eight tenths of a percent. February 2010 continued the upward trend in employment, with 11,900 jobs added, with increases in State and local government, public and private schools and colleges, leisure and hospitality, finance, manufacturing and professional and business services. These gains were offset by a decline in the construction sector – the hardest hit employment sector during the recession and subsequent recovery – with reductions also occurring in both the information and trade and transportation sectors.

However, despite performing well relative to most of the states, Virginia was by no means immune to the economic difficulties experienced by the rest of the nation. Job losses in 2009 were approximately 50,000, negatively impacting eight of ten employment sectors, while home sales and values continued to decline. 2010 continued these negative trends, with total non-agricultural employment falling by over 2.0 percent, or nearly

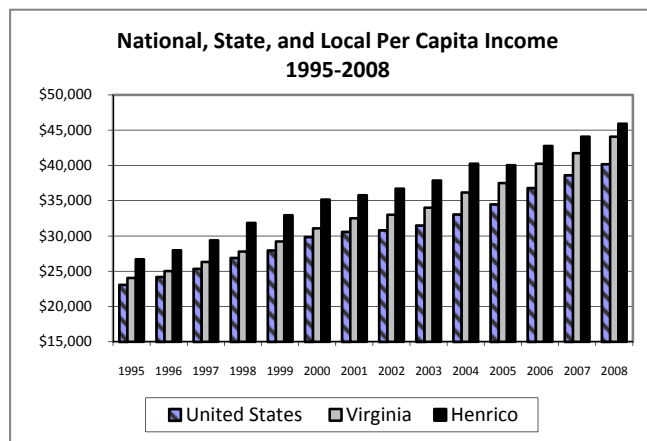
80,000 jobs. The construction and financial markets, the two sectors most closely related to housing, were affected disproportionately higher, losing nearly 32,000 jobs combined.

Local Economy

Over the past sixteen years, the Henrico County economy has become more diverse as the County has grown. Since 1995, the County's population has increased 28.0 percent. Increasing from 239,683 to 306,935, Henrico is now the fifth most populous County in the Commonwealth. At the same time, the average daily student population attending Henrico County Public Schools has increased by 34.8 percent. In reaction to such growth trends, the County of Henrico has responded to the needs of the community by offering more services. As education and public safety are both high priorities of the County, these two areas experienced the most employment growth.



The education personnel complement increased by 63.3 percent since 1995 as the number of education facilities grew 27 percent over the same time period. This figure does not include additions or renovations to existing structures. Public Safety increased its personnel complement by 45.1 percent over the same period.



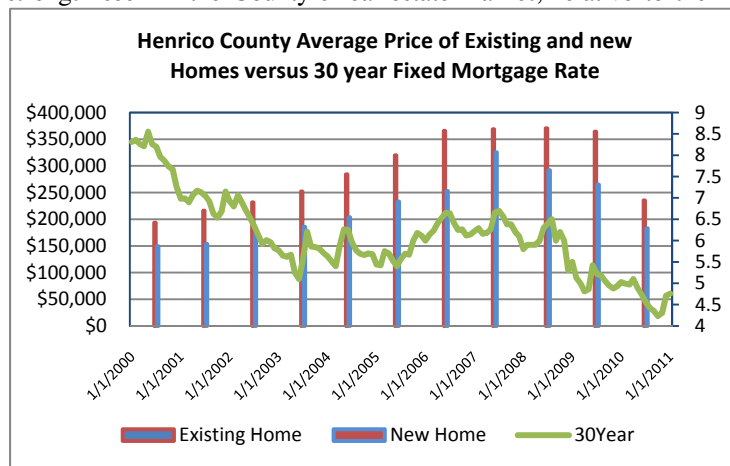
citizens experienced increases in income larger than national and State averages. From 1995 to 2008, per capita income in Henrico has increased by \$19,216, or 71.9 percent, to an average of \$45,911. It should be noted that as of this writing, the 2008 County data is the most recent information released by the Bureau of Economic Analysis.

A large portion of this increase is due to the additional personnel in the Sheriff's Office needed to staff the regional jail, which opened in 1996, as well as additional positions within the Division of Fire, with additions of 155 and 212 to the Divisions respectively. It also should be noted that 176 positions have been added in the Division of Police over the same sixteen years. Since 1995, General Government (excluding Public Safety) experienced an increase in personnel of 23.7 percent. All increases in personnel and service levels were accomplished while real estate tax rates in Henrico decreased from \$0.98 per \$100 of assessed value to \$0.87 per \$100 of assessed value during this time period. In addition, Henrico

Recent conditions in the national and state economies have severely disrupted the County's economy, particularly with respect to business failures and employment. While historically the county's unemployment had fallen well below that of state and federal figures, in March 2009, Henrico County registered a 7.1 percent unemployment rate, slightly exceeding the state unemployment rate of 7.0 percent, the worst in 17 years. The County's unemployment rate remained higher than that of the state through January 2010, when the unemployment rate of 7.4 percent fell below that of the state's 7.6 percent. As of February 2011, Henrico County's not-seasonally adjusted unemployment rate was 6.6 percent, equal to that of the state. This is a significant improvement over the same time a year prior, when Henrico County's rate was 7.5 percent. Relative to the region, Henrico County continues to outperform its neighbors with respect to employment. The Richmond Metropolitan Area in February 2011 registered an unemployment rate of 7.4 percent.

Despite the severity of the recession's impact on the local economy, there have been signs of improvement that indicate that the recovery is progressing. Henrico's highly skilled workforce, sound infrastructure and business friendly environment have facilitated corporate expansion and economic development activities that should translate into labor growth, as well as have a corresponding impact on local revenues in the future. In addition, consumer confidence is improving, as reflected in increased sales tax revenues. Henrico County continues to lead its regional counterparts in this category.

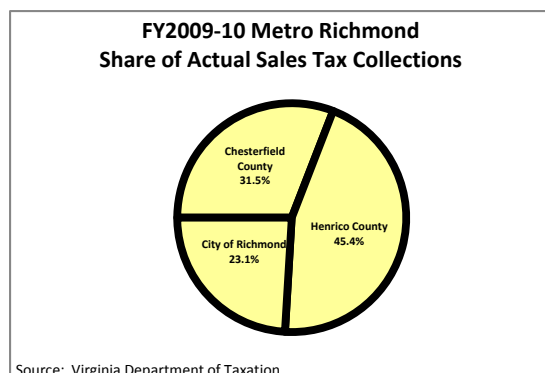
One of the most important economic indicators the County monitors is general property tax revenue. This revenue includes both current and delinquent real and personal property tax revenue. Property tax generates the largest percentage of revenue for Henrico County, representing 52.2 percent (estimated) of total General Fund operating revenue in FY201-12. A large driver behind the growth in this revenue historically, has been the strength seen in the County's real estate market, relative to the national market. The chart to the left illustrates



the overall upward trend in the average sales price of new and existing homes in comparison to the decrease in fixed mortgage rates. However, in 2008, as a result of the housing market crisis experienced nationwide, there was a corresponding drop in demand for housing in Henrico County, resulting in a higher monthly inventory, and stagnation in sales prices. Interest rates on 30 year fixed rate mortgages also fell significantly over this period, which facilitated some home buying and somewhat alleviated downward pressure on sales prices. The average 30 year fixed mortgage rate for 2010 was 4.69 percent,

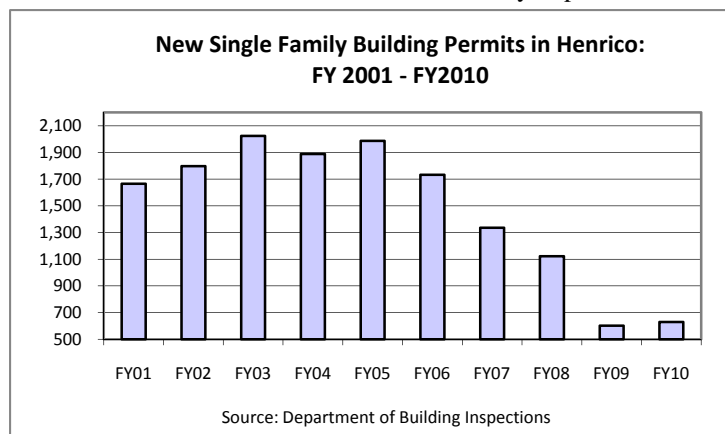
and was 4.76 percent in January 2011. It should be noted that the Board of Supervisors has decreased the Real Property Tax Rate three times since FY2004, from \$0.94 per \$100 of assessed value in CY2004 to \$0.92 per \$100 of assessed value in CY2005, then to \$0.90 per \$100 in CY2006, and was reduced again to \$.87 per \$100 in CY2007. The rate has remained unchanged through CY2010.

Another indicator the County monitors is local sales tax receipts compared to those collected in the Richmond Metropolitan Area. In actual dollars, Henrico's local sales tax receipts totaled \$54.7 million in FY2009-10, representing a 2.5 percent drop from the prior fiscal year. Over the past fiscal year, Henrico County recorded a 45.4 percent share of the total local sales taxes collected in the Richmond area, compared to 31.5 in Chesterfield County, and 23.1 percent in Richmond City. Henrico County's figure is slightly above the five year average of 45.2 percent. While Henrico's sales tax collections decreased by 2.5 percent, its percentage share of regional sales *increased* by 0.4 percent, which is an indication of the strength of Henrico's local retail base. Overall, the Richmond Metropolitan Area experienced a decrease of 3.3 percent, a relative improvement from the previous year over year decrease of approximately 3.8 percent. Based on these statistics, while there was clearly some reduction in consumption correlated to the reduced level of sales revenue generated in the region, Henrico County's sales figures continue to out-perform other localities in the region. These statistics are a reflection of the quality and variety of Henrico County's local retail base, which is an attractive option for local residents, as well as a shopping destination for consumers of neighboring localities and other non-residents.



Building permit fees are also an important economic indicator carefully monitored by the County of Henrico. This revenue is considered to be elastic, meaning it will vary from year to year based on current economic situations. A change in the number of building permits issued can be used to gather information about the shape

the economy will take in the future. In FY2006-07, actual revenues decreased when compared to FY2005-06 as the number of new single-family permits issued decreased 16.0 percent, reflective of the cooling housing market being experienced nationwide. This cooling trend is further reflected upon analysis of the FY2007-08 to FY2008-09 permit data, which reveals that single family permits actually declined by 46.4 percent during this period. Prior to the market cool down, Henrico County experienced a boom in new home construction, as did the rest of



the country, primarily due to historically low interest rates and the availability of credit. In fact, in FY2001-02 and FY2002-03, the level of single family permits increased each year, with an overall 21.5 percent increase during this period. However, in FY2003-04, the number of permits dropped by 6.7 percent, while in FY2004-05, the number of permits in Henrico jumped back up by 5.2 percent. While Henrico County experienced significant growth in the number of single-family permits being issued over the five-year boom period between 2001 and 2005, the national growth pace was greater during

this time period. Over this period, the national average annual increase for single-family permits issued was 6.9 percent, with an overall 31.7 percent growth comparing 2005 to 2001 levels. Henrico County, on the other hand, averaged an annual 5.2 percent increase for single-family permits issued during this time period, with an overall 19.3 percent increase comparing FY2005 and FY2001 levels. The number of single family building permits fell dramatically in 2007, falling 25.5 percent, and further declining at a rate of 16.0 percent in 2008. FY2009 registered the lowest numbers over the ten year period examined, with 602 permits issued, reflecting a decrease of 46.3 percent from the 1,122 permits issued in FY2008. FY2010 showed a modest improvement in the number of single family permits issued, registering 630 permits, reflecting an increase of 4.6 percent from the prior fiscal year. This figure, however, remains significantly below the peak of FY2003, when 2,024 permits were issued. Comparing FY2010 to FY2003, single family permits issued fell by 1,394, representing a decrease of 68.8 percent.

The County also monitors changes in the number of new and used automobile registrations. These registrations gauge the community's confidence in the local economy and determine the amount of its citizens' disposable income. In 2010, the County of Henrico reported 9,542 new and 43,912 used automobile registrations. These overall numbers represent a 1.4 percent increase from those recorded in the previous year. For 2010, 34.7 percent of all car sales occurring in the Richmond Metropolitan Area occurred in Henrico County.

Conclusion

The downturn in the economy that began in late 2007 was officially declared as having ended June 2009, though its effects on all sectors of the economy are still being felt through the first quarter of 2011. While the recovery has been slow, it is progressing, and the necessary mix of manufacturing and consumer and business spending is occurring. GDP will likely expand at a rate comparable to 2010 and may gain momentum in the third and fourth quarters of 2011 as the economy and consumer sentiment improves, employers add to their payrolls and the housing recovery strengthens. However, high energy costs could very well stymie economic growth, as turmoil in the middle-east and the disaster in Japan are currently contributing to higher per barrel oil prices and correspondingly higher fuel prices. The national average per gallon gasoline price as of this writing is \$3.826 (Richmond, VA average is \$3.775) and it is expected by most analysts that gasoline will climb in excess of \$4.00 per gallon and maintain this level throughout the summer months, regardless of any potential downward adjustment in oil prices as social disruptions in the middle east are resolved. While the increase in the Consumer Price Index (CPI) is driven primarily by energy, the CPI, which grew by roughly 1.5 percent from December 2009 to December 2010, is expected to rise to about 2.5 percent for 2011. Higher costs for energy and other goods has resulted in higher commodity prices for manufacturers, though the lack in consumer wage increases due to high unemployment levels means that businesses aren't able to pass most of these costs on to consumers. This phenomenon somewhat mitigates the impact of inflation for the consumer, but perpetuates low employment and

reduced business investment as businesses are forced to lower their margins on the sale of goods given the increased cost of inputs. While the high cost of fuel also presents some longer term inflationary worries, energy prices, as has historically been the case, are expected to moderate, and the core CPI is expected to grow at a rate roughly comparable to that of 2010, meaning that further economic stimulus by the Federal Open Market Committee may be on the table.

The extension of the Bush Era tax cuts, payroll tax holiday, extension of unemployment benefits, and incentives for businesses to invest and expand, which cumulatively amounted to an \$858 billion stimulus, have helped to spur growth. In what is perhaps the most encouraging statistic, consumer spending in the fourth quarter of 2010 followed previous quarters' growth, indicating that the uptick in this category wasn't exclusively driven by inventory restocking, as continued consumption drew down inventories through the end of the year and into the first quarter of 2011. As improving economic data results in greater consumer confidence, consumer spending will grow and stabilize, thus growing GDP, which is largely driven by personal consumption expenditures. While 2009 saw a decline in GDP of 1.2 percent, 2010 GDP increased by 1.8 percent and analysts believe that GDP will likely expand at a rate of 3.0 percent in 2011. Trade will have some impact on GDP, as the recovery will increase consumption of imports domestically, though the growth in imports likely won't match the 17.0 percent gain in 2010, while a slightly weaker dollar could make exports more attractive overseas.

Given the recession's impact on the labor market, the level of current and projected growth is unlikely to have an immediate, strong impact on job creation. Based on economists' assessments, it would take approximately four percent annual growth to lower the unemployment rate by one percentage point annually, and Federal Reserve Chairman Ben Bernanke has been quoted as saying that growth of 3.5 percent per year (an annual growth factor that exceeds current estimates) means it would take five to six years for the labor market to normalize. Jobs, however, are being added, and the seasonally adjusted unemployment rate as of February 2011 of 8.9 percent was the lowest since 8.6 percent in March 2009. Analysts predict job growth in the neighborhood of about 2 million in 2011, which means it will likely take several years to recover the over 8 million jobs that were lost during the recession. Unfortunately, the unemployment rate will likely remain relatively unchanged during this period, as discouraged workers who were previously not included in the unemployment statistic reenter the workforce as the economic recovery progresses.

Like the rest of the nation, the County of Henrico continues to recover from the effects of the most devastating recession in over 80 years. However, the County continues to respond better than national averages. While sales tax collections slowed in FY 2010, registering 2.5 percent lower than the year prior, they grew by over 7.0 percent through the first quarter of FY 2011, and Henrico County's sales remain the strongest in the Metropolitan Richmond area. As the County of Henrico continues to operate within sound and conservative parameters, it is prepared to handle periodic fluctuations and uncertainties in the national, state and local economies, as well as the more severe economic conditions that we are faced with today.

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APPENDIX “G” FINANCIAL TRENDS MONITORING SYSTEM

Note to the reader:

The County of Henrico compiles the Financial Trend Monitoring System (Trends) annually as a means of reviewing historical financial and demographic data prior to composing the annual budget. In completing the Trends document, an extensive review of the County’s financial history over the preceding eleven fiscal years is performed using a series of twenty-eight key economic, demographic, and budgetary factors. By reviewing historical actuals over an extensive period of time, long ago forgotten financial impacts may be reviewed for validity to current economic conditions and variables. This marks the twenty-fifth year of this financial trend analysis.

Completing the Trends document is one of the first steps in Henrico County’s annual budgetary process. The findings that emerge from this review form the foundation on which budget recommendations are planned and created. The County Manager presents the final Trends Document to the Board of Supervisors prior to the recommended operating and capital budgets. This provides the Board the opportunity to undertake an extensive review of the data, allowing them to make the sort of informed and proactive decisions that have led to Henrico’s premier reputation for planning and financial management.

The Trends document is included in the County’s Approved Annual Fiscal Plan to provide the reader with a historical perspective, and thus a more full understanding of the economic, demographic and financial factors that have been accounted for in the process of approving this document.

What follows is a reproduction of the original Trends document that was presented by the County Manager to the Board of Supervisors on February 22, 2011.

THE FINANCIAL TREND MONITORING SYSTEM

Financial Condition

Financial condition is broadly defined as the ability of a locality to maintain existing service levels, withstand local and regional economic disruptions, and meet the demands of natural growth, decline, and change.

The ability to maintain existing service levels means more than the ability to pay for services currently being provided. It also means the ability to maintain programs in the future that are currently funded from external sources such as state or federal grants where the support is likely to diminish, and where the service cannot practically be eliminated when the funds do disappear. It also includes the ability to maintain capital facilities, such as roads and buildings, in a manner that would protect the initial investment in them and keep them in usable condition. Finally, it includes the ability to provide funds for future liabilities that may currently be unfunded, such as pension, employee leave, and debt commitments.

The ability to withstand local, regional, and national economic disruptions is also important because these disruptions may have a major impact on the businesses and individuals who live and work in the locality, and therefore impact the locality's ability to generate new local tax dollars.

This leads to the third component of the definition of financial condition, which is **the ability to meet the future demands of change**. As time passes, localities grow, shrink or stay the same size. Each condition has its own set of financial pressures. Growth, for example, can force a locality to rapidly assume new debt to finance roads and public facilities, or it can cause a sudden increase in the operating budget to provide necessary services. Shrinkage, on the other hand, leaves a locality with the same number of roads and public facilities to maintain but with fewer people to pay for them.

The Financial Trend Monitoring System

The Financial Trend Monitoring System (FTMS), adapted from the system developed by the International City/County Management Association (ICMA), "identifies the factors that affect financial condition and arranges them in a rational order so that they can be more easily analyzed and measured." It is a management tool that pulls together the pertinent information from the County's budgetary and financial reports, mixes it with the appropriate economic and demographic data, and creates a series of local government financial indicators that, when plotted over a period of time, can be used to monitor changes in financial condition. The financial indicators include such things as cash liquidity, level of business activities, changes in fund balance, and external revenue dependencies. This system can also assist the Board of Supervisors in setting long-range policy priorities and can provide a logical way of introducing long-range considerations into the annual budget process. The following discussion has been developed using the ICMA manual entitled Evaluating Financial Condition, A Handbook for Local Government.

The FTMS is built on twelve overall "factors" that represent the primary forces that influence financial condition (see Chart 1). These financial condition factors are then associated with twenty-eight "indicators" that measure different aspects of these factors. Once developed, these can be used to monitor changes in the factors, or more importantly, to monitor changes in financial condition. Each factor is classified as an environmental factor, an organizational factor or a financial factor.

The **environmental factors** affect a locality in two ways. First, they create demands. Second, they provide resources. Underlying an analysis of the effect the environmental factors have on financial condition is the question: "Do they provide enough resources to pay for the demands they make?"

The **organizational factors** are the responses the government makes to changes in the environmental factors. It may be assumed in theory that any government can remain in good financial condition if it makes the proper organizational response to adverse conditions by reducing services, increasing efficiency, raising taxes, or taking some other appropriate action. This assumes that public officials have enough notice of the problem, understand its nature and magnitude, know what to do and are willing to do it. Underlying an analysis of the effects the organizational factors have on financial condition is the question: "Do legislative policies and management practices provide the opportunity to make the appropriate response to changes in the environment?"

The **financial factors** reflect the condition of the government's internal finances. In some respects they are a result of the influence of the environmental and organizational factors. If the environment makes greater demands than resources provided and if the County is not effective in making a balanced response, the financial factors would eventually show signs of cash or budgetary problems. In analyzing the effect financial factors have on financial condition, the underlying question is: "Is government paying the full cost of operating without postponing costs to a future period when revenues may not be available to pay these costs?"

Financial Indicators

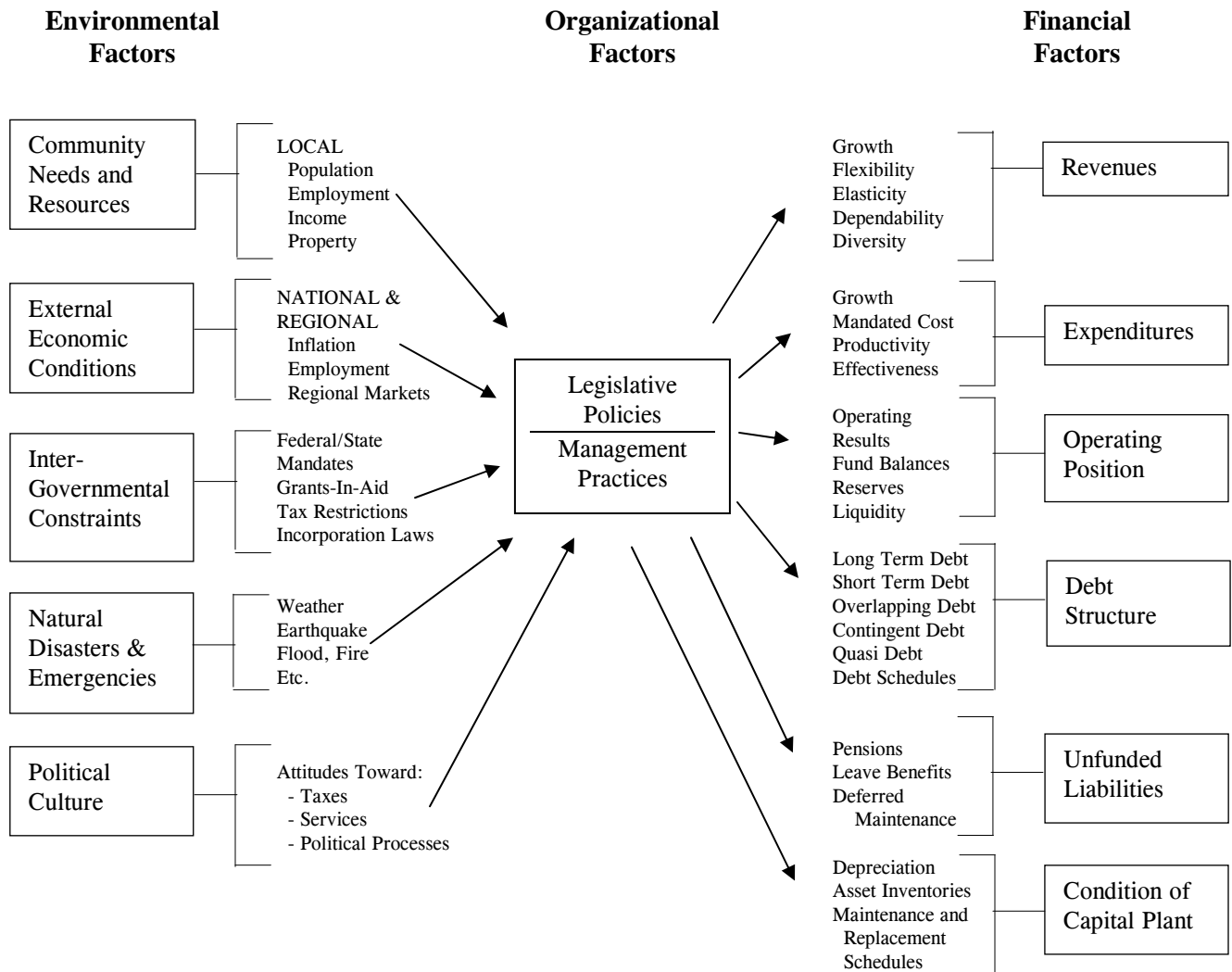
The financial indicators are the primary tools of the Financial Trend Monitoring System. They represent a way to quantify changes in the twelve factors. The chart on page 4 shows the twenty-eight indicators along with the factors with which they are associated. Many aspects of financial condition cannot be measured explicitly; however, by quantifying twenty-eight indicators and plotting them over a period of eleven years, decision makers can begin to monitor and evaluate the County's financial performance. The use of these indicators will not provide answers to why a problem is occurring or what the appropriate solution is, but it may provide the opportunity to make an informed management response.

How to Use This Document

Twenty-eight indicators have been selected for use in monitoring Henrico County's financial condition. They are displayed graphically on the following pages. These indicators were chosen based upon the availability of data and their appropriateness for Henrico County. The indicators selected are grouped by the seven financial factors as illustrated on page 4. The remainder of this document, in fact, is structured into seven sections, one for each of the seven factors. Appendix A provides the raw data used to develop the graphs. Appendix B provides a list of the Economic Data Sources used in the analysis.

Chart 1

Financial Condition Factors



Source: Evaluating Financial Condition, A Handbook for Local Government International City/County Management Association

FINANCIAL INDICATORS

REVENUES

- Revenues Per Capita
- Intergovernmental Revenues
- Elastic Operating Revenues
- General Property Tax Revenues
- Uncollected Current Property Taxes
- User Charge Coverage
- Revenue Shortfalls

EXPENDITURES

- Expenditures Per Capita
- Employees Per Capita
- Fringe Benefits

OPERATING POSITION

- Operating Surpluses
- Enterprise Losses
- General Fund Unrestricted Balances
- Liquidity

DEBT STRUCTURE

- Current Liabilities
- Long-Term Debt
- Debt Service

EMPLOYEE LEAVE

- Accumulated Vacation Leave

CONDITION OF CAPITAL PLANT

- Level of Capital Outlay
- Depreciation

COMMUNITY NEEDS & RESOURCES

- Population
- Per Capita Income
- Public Assistance Recipients
- Real Property Values
- Residential Development
- Employment Base
- Business Activity - Local Retail Sales Tax Receipts and Business License Tax Receipts
- Business Activity - Commercial Acres and Market Value of Business Property

WARNING TREND: Decreasing net operating revenues per capita (constant dollars). Increasing net operating expenditures per capita (constant dollars).

Formula:

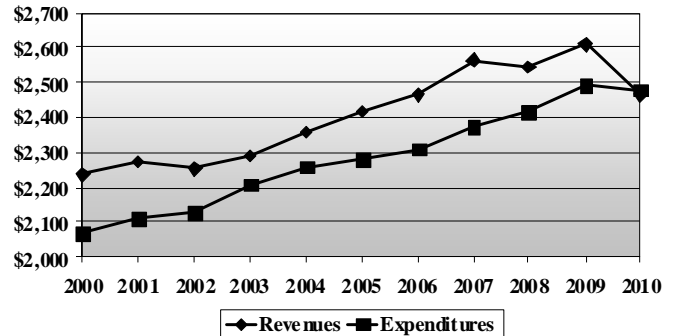
$$\frac{\text{Net Operating Revenues/Expenditures}}{\text{Population}}$$

Revenues and Expenditures Per Capita:

These indicators depict how revenues and expenditures are changing relative to changes in the level of population and inflation. As the population increases, it might be expected that the need for services would increase proportionately; therefore, the level of per capita revenues should remain at least constant in real terms. If per capita revenues are decreasing, it could be expected that the locality would be unable to maintain existing service

levels unless it were to find new revenue sources or ways to save money. Increasing per capita expenditures can indicate that the cost of providing services is greater than the community's ability to pay, especially if spending is increasing faster than the community's personal income or other relevant tax base.

Revenues/Expenditures per Capita (In Constant Dollars)



Trends:

This indicator considers “Net Operating Revenues/Expenditures” to be revenues and expenditures (on a constant dollar basis) from the General, Special Revenue, and Debt Service funds. Because this indicator combines these operating funds, the representation is somewhat different than those made in the Annual Fiscal Plan, which is fund specific when examining revenue and expenditure growth. In the ten-year period between FY00 and FY09, the County’s per capita revenues (in constant dollars) increased from \$2,236 to \$2,610, or 16.7 percent. However, in FY10, per capita revenues (in constant dollars) declined 5.5 percent from the previous fiscal year to \$2,377. Per capita expenditures (in constant dollars) increased from \$2,068 to \$2,479, or 16.3 percent from FY00 to FY09, before falling 0.6 percent to \$2,390 in FY10. During this eleven-year period, the County’s population increased by 18.8 percent.

In examining the data, a number of distinct trends are evident. First, after increasing from FY00 to FY01, FY02 and FY03 per capita revenue growth (in constant dollars) lagged behind fixed expenditure requirements. During this time period, the County’s intergovernmental revenues from the State were reduced as a result of fiscal problems encountered by the State during those years. The State’s income tax receipts declined due to the economy in 2002. Additionally, the State budget had anticipated some additional revenues that did not materialize. Actions taken by the Virginia General Assembly in 2002 and 2003 reduced revenues from the State to all Virginia localities. Henrico County’s funding reduction from the State in these two years exceeded \$25.0 million.

From FY04 to FY07, the County’s per capita revenues outpaced per capita expenditures. In looking back over this time period, economic prosperity resulted in healthy revenue growth, while the County’s financial plans intentionally minimized incremental expenditure growth. This is important in that expenditure controls have ensured the County’s operating budgets did not outpace available resources. By minimizing incremental expenditures, the County has been allowed to forecast revenues conservatively. The benefits of this practice were realized in FY08, as County resources were able to keep pace with a number of significant fixed cost increases despite a slowing economy and accompanying slowing revenue growth. Per capita revenues (in constant dollars) in FY08 declined for the first time since the last economic recession in FY02. On the expense side, fixed costs

increased significantly, mostly due to soaring energy prices - notably the costs of gasoline, diesel fuel, electricity, and heating costs (natural gas). With per capita revenues declining and per capita expenditures rising, FY08 experienced the largest percentage margin of per capita expenditure growth to per capita revenue growth since FY91.

In FY09, per capita expenditures continued to outpace per capita revenues, but by a far less margin than in FY08. Overall revenue growth in FY09 reflected the lowest year-over-year growth since the last recessionary economic environment in FY02. In light of this, and in anticipation of an extended economic downturn, a number of expenditure savings initiatives were implemented in FY09. These initiatives include a General Government hiring freeze and a Countywide energy savings initiative, including the targeted downsizing of the County's vehicle fleet to save on fuel costs and a new focus on designing and building Leadership in Energy and Environmental Design (LEED) certified buildings which will result in long term energy cost savings for the County.

The economic downturn continued into FY10, and impacted virtually every County revenue source, especially in the areas of aid from the Commonwealth and real estate taxes, which combined account for over two thirds of the County's General Fund revenues. Overall, the General Fund experienced a reduction of \$52.1 million in revenues in FY10 as compared to the previous fiscal year, mostly the result of \$28.7 million in funding reductions from the Commonwealth of Virginia. Real estate valuations as of January 1, 2010 dropped 7.8 percent overall, impacting the second real estate tax payment of FY10 and resulting in a net reduction in real estate tax revenues of \$13.7 million from the prior fiscal year. In fact, per capita revenues (in constant dollars) dropped 5.5 percent from the previous fiscal year, resulting in the first fiscal year since FY82 that per capita expenditures were greater than per capita revenues. However, this statistic is slightly misleading.

FY10 expenditures were somewhat exaggerated in the County's financial statements as a result of a General Accounting Standards Board (GASB) regulation that requires the full life of a new "capital lease" agreement be treated as an expenditure in the year that capital lease was implemented. In FY10, the School Board approved a new four-year contract with Dell to provide laptops to high school students at a cost to Henrico County of approximately \$4.6 million annually. GASB regulations require the County to disclose an expenditure of \$18.4 million (\$4.6 million over four years) for this transaction in FY10, a figure that will not appear in the financial statements until the lease is renewed. Largely due to the accounting of this capital lease, expenditures appear to outpace revenues in FY10 by \$5.3 million. Excluding this capital lease, overall revenues in the General, Special Revenue, and Debt Service Funds outpaced expenditures by \$13.1 million.

Further, for the first time since FY94, the County reduced its overall expenditures from the previous fiscal year. This reduction was due to a number of factors, including the continuation of the hiring freeze that began in FY09, across-the-board reductions to all County departmental budgets, the refunding of all eligible County-owned debt (totaling \$283.3 million in all), extending the replacement cycle of technology, and establishing a brand new culture in the way Henrico County operates now and into the future. These initiatives saved the County millions of dollars on the expenditure side of the ledger in FY10.

It should be noted that the overall trend for this indicator shows that Henrico County has a consistent history of meeting current expenditure requirements with current revenues and has avoided the use of one-time revenues in meeting operating expenditures. Because of the unique economic factors impacting revenues and "one-time" accounting transactions, FY10 will likely prove to be an anomaly going forward.

The County of Henrico continues to prepare multi-year financial plans that factor in infrastructure and operating requirements for an increasing population. Both the capital and operating budgets are cross-walked annually to ensure that all known costs of operations are recognized. Before the County issues any debt, a full debt affordability analysis is undertaken. Finally, in FY01 both the Henrico County School Board and the Henrico

County Board of Supervisors agreed to a long-term financing plan that phased in \$586.3 million in debt (\$237.0 million authorized in the November, 2000 General Obligation Bond Referendum and \$349.3 million in debt authorized in the March, 2005 General Obligation Bond Referendum) by controlling incremental expenditure growth for continuing operations at a maximum of 5.0 percent per year.

While the recessionary economic environment may have technically ended, the effects continue to impact local government revenues into FY11. In fact, the FY11 General Fund budget assumes a \$91.5 million reduction in revenues from FY09 levels, mostly the result of funding reductions from the Commonwealth of Virginia. In response to these revenue concerns, the County's General Government and Schools collectively eliminated 223 vacant positions, implemented additional across-the-board expenditure reductions, and budgeted anticipated turnover savings to recognize savings associated with the continued hiring freeze. These unprecedented budgetary actions, combined with pockets of revenue growth that has been observed through the first six months of the fiscal year, will likely result in the County once again adding to fund balance at the end of the fiscal year, barring any large unanticipated expenditure requirements and/or any additional significant funding reductions from the Commonwealth of Virginia.

At this writing, there is continued concern regarding the State's fiscal situation and the subsequent impact on local government revenues. Also, it is anticipated that real estate valuations as of January 1, 2011 will decline once again, although the reduction will be much less than experienced in the previous year. Because of these continued concerns, a warning trend remains for this indicator.

WARNING TREND: Increasing amount of intergovernmental operating revenues as a percentage of gross operating revenues.

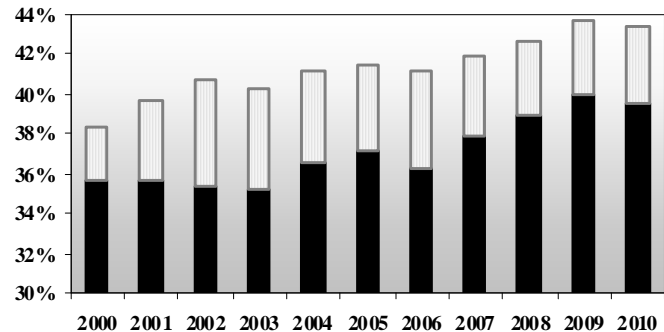
Formula:

$$\frac{\text{Intergovernmental Operating Revenues}}{\text{Gross Operating Revenues}}$$

Intergovernmental Revenues:

Intergovernmental revenues are those revenues received from other governmental entities. The sources of intergovernmental revenue in Henrico County include revenue from the Commonwealth of Virginia and the Federal Government. For example, in the General Fund the County receives a portion of the State Gasoline Tax revenue it generates for street maintenance and construction, as well as State and Federal revenue for schools, social services and a partial reimbursement from the State Compensation Board for salaries and office expenses for Constitutional Officers. In the Special Revenue Fund, the County receives State and Federal revenue for various grant programs for schools, mental health and public safety. Much of this intergovernmental revenue is restricted revenue, and therefore legally earmarked for a specific use as required by State and Federal law or grant requirements. Beginning in 1999, personal property tax payments paid by the State under the Personal Property Tax Relief Act (PPTRA) have been classified as intergovernmental revenues even though the assessment function is performed at the local level. On the graph above, these PPTRA revenues appear as the top stacked bar, which was first received from the State in FY00.

Intergovernmental Revenues (as a % of Gross Operating Revenues)



An over dependence on intergovernmental revenues can have an adverse impact on financial condition. The "strings" that the external source attaches to these revenues may prove too costly, especially if these conditions are changed in the future after the locality has developed a dependence on the program. In addition, the external source may withdraw the funds and leave the locality with the dilemma of cutting programs or paying for them with General Fund resources.

Trends:

As the graph above indicates, Henrico County's intergovernmental revenues as a percentage of operating revenues have increased from 38.3 percent in FY00 to 43.4 percent in FY10, although as is described, this increase is misleading. The peak in this indicator is FY09 and largely arises from additional State Aid for local education. As mentioned above, the State began reimbursing localities under the PPTRA in FY00. The graph above delineates between PPTRA reimbursements and all other intergovernmental revenues. The total bars reflect all intergovernmental revenues, while the lower stacked bars exclude the effects of PPTRA payments.

While intergovernmental revenue has increased from 38.3 percent of gross operating revenues recorded in FY00 to the FY10 level of 43.4 percent, there are three distinct patterns that need to be noted, as the increase is largely misleading. The chart depicts an overall upward trend beginning in the time period examined. In FY00, State lottery funds were made available for Education and totaled \$5.0 million. Through FY09, Henrico used these funds exclusively for Education construction projects. This decision was based on the premise that, if in the future, the State reduced lottery funds for Education - the County's operating budget would not be impacted in a negative manner. As such, an operational dependence had not been created for this revenue source. The fruits of this decision were realized in FY10, as lottery funds were significantly reduced to \$3.2 million from \$5.7 million received the previous fiscal year. In FY11, the County is no longer receiving a discretionary allocation of lottery

funds, as the State began utilizing lottery proceeds to supplant reductions to specific Education programs formerly funded with General Fund dollars.

It should also be noted that in FY00, House Bill (HB) #599 funds for police were “unfrozen” from levels that had remained constant since FY92. In the eight years between FY92 and FY99, this revenue remained at a “frozen” level of \$2.3 million per annum. The HB #599 payments were increased to \$6.3 million in FY00 (based on the original HB #599 funding formula), thereby impacting this indicator. Henrico utilizes the HB #599 funds for operational enhancements and capital projects for police. Since FY08, when HB #599 funding to the County reached its peak of \$10.1 million, the State has cut this funding source by nearly 22.0 percent, creating additional pressure on local revenues.

The second trend which is evident is that State Aid for all other program areas (Education, Public Safety, Jails, Constitutional Officers, Mental Health, etc), as a percentage of gross operating revenues, was actually *reduced* between FY00 and FY03 as a result of budget shortfalls at the State level during that time. That is, while total intergovernmental aid reflects an increase during that period, **the increase is largely due to PPTRA payments**. In all other areas, the County actually experienced a net decrease in State aid.

The third trend reflects the reclassification of prior local revenues as “state” revenues, and while overall State aid looks like it increased from FY06 through FY09, the increase is somewhat misleading. One example that depicts why these increases are misleading is **legislation that replaced four local revenue sources** with a monthly payment from the State Department of Taxation, known as HB #568 Communication Sales & Use Tax, which became effective January 1, 2007 and was supposed to be “revenue neutral.” The following local revenue sources were replaced: Consumer Utility Tax, Cable TV Franchise Fee, Cellular Telephone Tax, and E-911 Tax. This legislation distributes funding using a formula that has impacted Henrico’s receipts, and has not proved to be revenue neutral as assumed in the legislation. The State deducts an administrative fee from the revenue collections and redistributes the funding monthly to localities as a fixed percentage of State-wide collections, which was established by FY06 local collection levels. This is noted because it represents an example of the State’s continued forays into issues of local taxing authority. This concern of State involvement in local revenues continues to be noted as a concern, as it is a significant wildcard in the County’s multi-year financial planning efforts.

As mentioned, creating a dependency on a revenue source not controlled locally may create fiscal difficulties if that revenue source is altered. This is exactly what has occurred with the PPTRA revenue paid by the State. In FY00, the Virginia General Assembly made a commitment to reimburse localities for a State tax reduction of a local revenue source (individual personal property). Since FY00, the County of Henrico has built a dependency on this revenue source and the prior eight Trends documents have included a warning for this indicator. PPTRA payments since FY00 reflect the following:

Fiscal Year	PPTRA Payment
FY00	\$4.3 million
FY01	\$25.1 million
FY02	\$33.9 million
FY03	\$33.6 million
FY04	\$34.1 million
FY05	\$33.3 million
FY06	\$42.1 million
FY07	\$37.2 million
FY08	\$37.0 million
FY09	\$37.0 million
FY10	\$37.0 million

From FY01 through FY07, PPTRA payments constituted between 4.0 and 5.0 percent of all intergovernmental aid received by the County. In FY08 and FY09, PPTRA payments made up less than 4.0 percent of all intergovernmental revenues to the County, at 3.8 percent and 3.7 percent, respectively. In FY10, this percentage jumped back up to 4.3 percent, only because total General Fund revenues declined by \$52.1 million.

The FY03 Trends document included the following warning regarding PPTRA payments from the State:

*“While the [budget] reductions above suggest a warning trend, Henrico’s largest exposure **remains** with Personal Property Tax reimbursements from the State, as opposed to incremental programmatic reductions in aid. That warning trend was first noted in last year’s Trends document. The PPTRA reimbursement being made to the localities represents a significant outlay of funds for the State and is now depicted as “Aid to Localities” by the State. The warning concerns possible legislation or a wish to index future PPTRA payments in some manner so that the State may be able to control the growth of these expenditures in the future. In times of budgetary unease, that may offer a simple solution for decision makers at the State level. Locally, the results of such a change would have a materially adverse affect on the County’s revenues.”*

In the 2004 session of the Virginia General Assembly, the legislature did in fact make such a change to these payments – effective for FY06. The legislature capped the State’s PPTRA payments to localities at approximately \$950.0 million and uses a pro-rata distribution mechanism for making these payments in the future. In essence, what that means is that Henrico’s PPTRA reimbursements from the State will remain at a level amount in the future, while the taxpayer portion will once again increase. Long term, if the State does not re-adjust these payments to localities, residents of each locality will pay more each year in Personal Property taxes and at this current writing, the State’s promise of maintaining reimbursement levels at 70.0 percent for the County’s taxpayers slipped to 61.0 percent in 2008. In 2009, the payments increased to 65.0 percent due to declining vehicle valuations that were a result of the economic environment, and this percentage remained constant in 2010. The differential is paid by the County’s taxpayers.

In December 2009, outgoing Governor Tim Kaine’s 2010-2012 Proposed Budget recommended the elimination of the vehicle personal property tax altogether, including the State’s PPTRA payments to localities as a means to offset the State’s budget shortfall. Governor Kaine recommended a 1.0 percent income tax surcharge to be dedicated to localities to make up for the loss of revenue to localities from the elimination of vehicle personal property tax revenue. The bill was swiftly voted down by the House of Delegates due to its increasing of taxes; however, the subject will certainly arise again in the future.

At this writing, the State has cut approximately \$11.3 billion from its budgets since August 2007, most of which has resulted in reductions in State aid to localities. In fact, from FY2007-08 through FY2010-11, the State has reduced aid to Henrico County by nearly \$54.0 million in total. In addition, the County received \$22.3 million in one-time ARRA – Federal Stimulus funds from the State in FY09 and FY10 that were used by the State to supplant payments to localities for Education, the Sheriff’s Office, and Social Services to offset State General Fund reductions. In addition, the County will receive at least an additional \$6.0 million in ARRA-Federal Stimulus funds in FY11 related to basic aid payments for Education and payments for Social Services. This is important to note as FY11 is the last year that ARRA – Federal Stimulus funds may be utilized by the State, and beginning in FY12, without adequate revenue growth to offset the use of these one-time funds, the State will have to make additional funding reductions to balance the budget.

Clearly, a warning trend continues for this indicator.

WARNING TREND: Decreasing (or unplanned) amount of elastic operating revenues as a percentage of net operating revenues.

Formula:

$$\frac{\text{Elastic Operating Revenues}}{\text{Net Operating Revenues}}$$

Elastic Operating Revenues:

Elastic operating revenues are those that are highly responsive to changes in the economic base and inflation. The highly elastic revenue categories used for this indicator are: local sales and use taxes; business and professional license taxes; and structure and equipment permit fees.

It is to a locality's advantage to have a balance between elastic and inelastic revenues to mitigate the effects of economic growth or decline. The relationship between elastic revenues and total receipts is largely driven by consumer consumption. During an economic downturn, elastic revenues should decrease as a percentage of net operating revenues.

Trends:

The graph shown above indicates that the percentage of elastic tax revenues for Henrico County have decreased from a high of 11.8 percent of operating revenues in FY00 to a low of 8.6 percent in FY09. In this time period, there have only been four actual decreases in the amount of elastic tax revenues collected, in FY02 and FY08 through FY10, all during periods of economic recession.

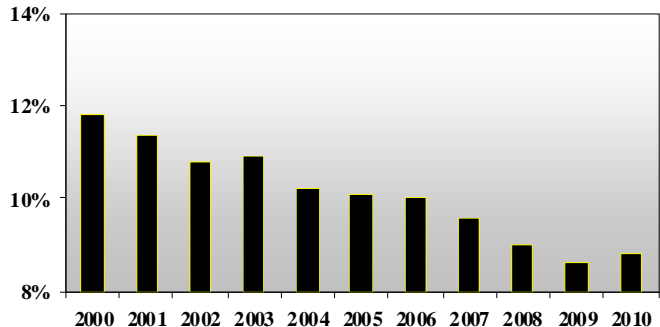
The first two years reflected above, FY00 and FY01, reflected a period of economic expansion. As a result of the expansion during those years, the Board of Supervisors implemented a Business and Professional License Tax (BPOL) reduction strategy as a means of encouraging more businesses to locate in Henrico County. That strategy was first implemented by the Board of Supervisors in January 1996 and was phased in over a period of years. By January 2000, this tax reduction strategy fully exempted the first \$100,000 in gross receipts from taxation for County businesses and established a uniform maximum tax rate of \$.20/\$100 for County businesses. While the tax reduction did impact this indicator, it has had two beneficial impacts. First, due to the phase-in of the Board's BPOL tax reduction strategy, Henrico reduced its operating reliance on these elastic revenues prior to the actual recession of FY02. Second, commercial taxpayers do not require the same service levels as residential taxpayers, so a net benefit to the County's revenues has been achieved by attracting more businesses to Henrico.

A recent synopsis of these receipts is warranted. In FY02, due to the effects of the recession, elastic revenues actually declined from the \$71.4 million recorded the prior fiscal year to \$69.0 million. In FY03, the County's elastic revenues increased by 6.3 percent. In FY04, these revenues increased by another 1.6 percent and FY05 actual receipts increased by 6.3 percent. FY06 data reflects receipts of \$85.2 million, which is a 7.6 percent increase over FY05. FY07 data reflects receipts of \$89.3 million which is a 4.8 percent increase over the prior fiscal year.

In correlation with the beginning of the most recent recessionary economic environment, FY08 receipts declined 1.9 percent to \$87.6 million. This trend continued into FY09 with a 1.7 percent decrease from the previous fiscal year, and again in FY10 with a 2.2 percent reduction in collections. The reduction in gross elastic

Elastic Operating Revenues

(as a % of Net Operating Revenues)



revenues the last three fiscal years reflects the downturn in the economy and the struggling housing market. Since FY07, local sales & use tax receipts have declined 5.4 percent, BPOL collections have declined 12.4 percent, and structure and equipment permit revenues have declined 53.4 percent. Despite the recent declines, over this eleven-year period, **while the County has reduced its operational reliance from these elastic revenue sources, the actual revenue derived from them has increased by 22.8 percent.**

In looking more specifically at sales & use tax receipts, while Henrico County's collections have declined 5.4 percent since FY07, it should be noted that the County's share of regional sales (inclusive of the Counties of Chesterfield and Hanover and the City of Richmond) **has increased each of the last four fiscal years**, from 39.6 percent of the region in FY07 to 41.5 percent of the region through January 2011, FY11. On a positive note, through February 2011, Henrico County has experienced a 6.0 percent increase in sales & use tax receipts in FY11, as compared to a 0.7 percent increase for the region as a whole. This trend is largely attributed to the "Henrico, VA" initiative implemented in FY09 that has played a critical role in allowing the County to identify and collect all sales & use tax receipts it is due and "true up" its tax base.

Another positive note, Henrico County ranked third among all localities in Virginia for total taxable sales in 2009. Refer to the chart below for comparisons to other localities.

2009 Virginia Taxable Sales

Total Taxable Sales are from February 1, 2009 to January 31, 2010

Rank	Locality	Total Taxable Sales	Population	Per Capita Sales
1	Fairfax County	\$12,932,168,326	1,020,575	\$12,671
2	Virginia Beach	\$4,638,871,814	432,696	\$10,721
3	Henrico	\$4,632,418,985	293,059	\$15,807
4	Loudoun	\$4,113,301,056	289,052	\$14,230
5	Prince William	\$4,109,331,787	380,023	\$10,813
6	Chesterfield	\$3,345,047,845	304,369	\$10,990
7	Arlington	\$2,959,336,528	207,237	\$14,280
8	Chesapeake	\$2,897,360,063	217,547	\$13,318
9	Norfolk	\$2,597,753,733	236,106	\$11,002
10	Richmond City	\$2,331,876,957	196,867	\$11,845
11	Alexandria	\$1,959,188,772	138,934	\$14,102
12	Newport News	\$1,933,222,912	181,871	\$10,630
13	Roanoke City	\$1,692,267,903	92,838	\$18,228
14	Hanover	\$1,438,740,565	98,001	\$14,681
15	Spotsylvania	\$1,347,926,498	121,134	\$11,128

As of this writing, pockets of positive local economic information indicate a "bottom" has likely been reached and economic stabilization is imminent, though a slow recovery is expected. Through the first half of FY11 the County has experienced healthy increases in sales & use tax receipts (as noted above) and hotel/motel tax revenues, and single family permits have steadily increased when compared to the previous fiscal year. Also, a number of positive local economic development announcements have been made recently, many of which will result in the addition of jobs in Henrico County, critical to future economic recovery. The real estate market continues to struggle, as January 1, 2011 valuations reflect a 1.1 percent reduction in the overall tax base, though this figure is much less than the 7.8 percent reduction experienced last year.

With the continued decline in real estate valuations, combined with significant cuts already allocated by the State and concerns that additional reductions are forthcoming, the reliance on elastic revenue receipts will continue to increase. Recent growth in elastic revenues, particularly sales tax collections, combined with stagnant or declining revenues in other categories, should reflect increases in this indicator in the near future. As such, no warning trend is warranted for the indicator.

WARNING TREND: Decreasing or negative growth in general property tax revenues (constant dollars).

Formula:

Property Tax Revenues (Constant Dollars)

General Property Tax Revenues:

General property tax revenues in Henrico County include both current and delinquent real and personal property tax revenue levied and collected by the County. These revenues constitute Henrico County's largest local revenue category, representing 72.1 percent of total **local** operating revenue in Henrico County in FY10. It should be noted that beginning with FY99, the State's reimbursements of personal property tax revenues have been recorded as "intergovernmental" revenue. That is to say, the PPTRA revenue is not reflected on this indicator. This indicator does capture the "local" component of personal property – including the machinery and tools tax.

Trends:

Henrico County has experienced a healthy increase in general property tax revenues over the last eleven years. In unadjusted dollars, general property tax revenue has increased from \$211.3 million in FY00 to \$367.4 million in FY10. This represents an average annual increase of 5.3 percent in this eleven-year period.

Henrico's strong local economy and community of choice designation for new area residents and businesses have had a positive impact on the County's real property assessed valuations over the past eleven years. During this time period between CY00 and CY10, the County's unadjusted real estate tax base has increased by \$16.8 billion.

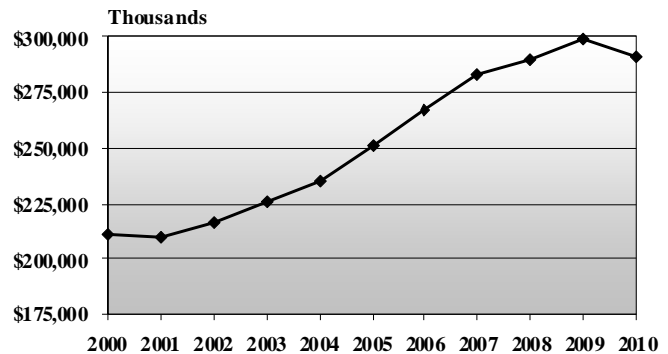
In this eleven year time period, it should also be noted that when looking at these property tax revenues and comparing them to total net revenues, a revealing pattern emerges. In FY00, property tax revenues constituted 36.5 percent of net operating revenues, which includes intergovernmental revenues. By FY05, this percentage had dropped to 36.1 percent. The FY05 Trends document included the following observation:

"The reduction arises as a result of other revenue sources, specifically, intergovernmental aid that has increased in this time period. As noted earlier on the "Intergovernmental Revenues" indicator, there was a notable increase in intergovernmental aid beginning in FY99. However, with the capping of the PPTRA payments from the State beginning in FY06, it is likely that property tax revenues as a percent of total operating revenues will increase in the future again".

With one exception, property tax revenues as a percentage of total net revenues **increased** each fiscal year since FY05. The only exception, in FY09 property tax revenues only declined from 37.7% to 37.6% of net revenues. Since FY05, property tax revenues grew from 36.1% of net revenues in FY05 to 38.3% of net revenues in FY10.

In FY09, in spite of the "Great Recession" significantly impacting virtually every County revenue source in FY09 and, to a much greater extent in FY10, a dependence on each and every revenue source has been realized. The State began reducing payments to localities in FY09 to offset its budget shortfall, and elastic revenues were

General Property Tax Revenue (In Constant Dollars)



beginning to decline as well. In spite of a net increase in FY09, the economy's impact on property tax revenues was significant, as real estate valuation reflected, at the time, the lowest year-over-year increase on record, automobiles experienced valuation declines, and the largest property taxpayer in the County, Qimonda AG, closed its doors.

Another observation from the graph on the prior page worthy of discussion is the "leveling off" of general property tax revenue (in constant dollars) in FY08, the subsequent sharp uptick in FY09, and the sharp reduction in FY10. In spite of the beginning of a recessionary economic environment, unadjusted property tax revenues actually increased a healthy 7.8 percent in FY08, though this growth was lower than growth experienced from FY05 to FY07 at 9.7 percent, 10.4 percent, and 9.3 percent, respectively. Also, inflation was registered at nearly 5.0 percent in FY08, easily the highest figure in the eleven year period examined, and impacting this indicator as calculations are in constant dollars.

Conversely, FY09 reflected a deflationary cycle, as unadjusted property tax revenues only increased 1.9 percent but in constant dollars property tax revenues increased 3.3 percent. Considering the depth of the recessionary economic environment in FY09, it is quite an accomplishment that the County experienced an increase in property tax collections at all. In fact, the reason for this increase is twofold. First, tax increment financing associated with Short Pump Town Center, the most successful shopping center in the Metropolitan Richmond Area since it opened its doors in 2003, was completed with the final debt payment from the County during that year. As such, all County revenues associated with this development, including real estate tax and personal property tax revenues that previously were used to pay debt service, began depositing into County coffers in FY09. The second reason for the upswing in property tax collections in FY09 is the implementation of the "Henrico, VA" initiative, in which the majority of "Richmond, VA" addresses were changed to "Henrico, VA." This initiative was pursued because of revenue miscoding that misdirected millions of dollars in annual County revenue, including business personal property tax revenues, to the City of Richmond. Without the significant impact of Short Pump Town Center and the "Henrico, VA" initiative, the graph on the prior page would have shown a continued leveling off of general property tax revenue (in constant dollars) in FY09.

In FY10, the State cut aid to localities by a much greater extent than in FY09, increasing the reliance on property tax revenues. However, unadjusted property tax revenues dropped 2.0 percent in the fiscal year, mostly due to real estate valuations declining 7.8 percent overall from January 1, 2009 through January 1, 2010. This reduction in real estate valuation will also have a significant impact on FY11 property tax collections, in addition to another reduction in real estate valuations in the amount of 1.1 percent based on January 1, 2011 reassessments.

Overall, the upward trend of the County's total tax base over this time period is a very positive trend. However, with the unprecedented number of properties in foreclosure, in combination with a significant number of vacant office spaces, a recovery in the real estate market will likely take years to reach levels seen just three years ago. Once the economy recovers and a healthy number of new jobs are created in the County, property tax values will rebound and will show positive gains. However, all signs point to a very slow local economic recovery. As such, a warning trend is noted for the foreseeable future.

WARNING TREND: Increasing amount of current uncollected property taxes as a percentage of the current total property tax levy.

Formula:

$$\frac{\text{Uncollected Current Property Taxes}}{\text{Current Property Tax Levy}}$$

Uncollected Current Property Taxes:

Every year a certain percentage of current real and personal property taxes go uncollected because property owners are unable to pay them. As this percentage increases over time, it may be an indication of an overall decline in a locality's economic health. Bond rating agencies consider that a locality will normally be unable to collect between 2.0 to 3.0 percent of its property tax levy each year. If uncollected property taxes rise to more than 5.0 percent, rating agencies consider this to be a negative indicator that signals potential problems in the stability of the property tax base or is indicative of systemic problems with local tax collection efforts.

Trends:

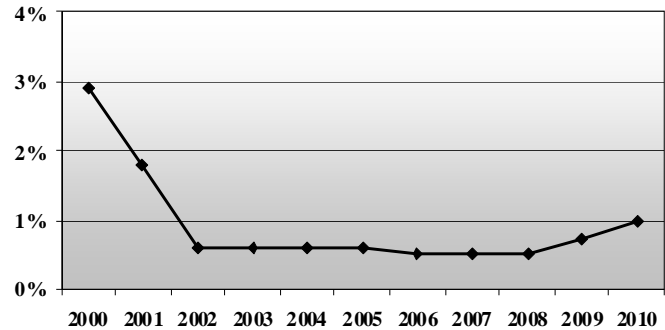
As the graph above indicates, for this eleven-year period, Henrico County's percentage of current **uncollected** real and personal property taxes has ranged from 2.9 percent in FY00, the high point in this time period, to the most recent level of 1.0 percent recorded in FY10.

In looking at this indicator, a consistency in collections on the part of the County is depicted, as the range on the graph is within expected parameters. In the past several years, significant enhancements were made in the collection of delinquent real estate taxes. This, in part, can be attributed to Henrico's commitment to improving customer service by streamlining collection procedures and increasing payment options for County residents. In this time period, Henrico has implemented acceptance of payments by credit card over the telephone and via the internet, implemented acceptance of payments by debit and/or credit card in person, instituted a monthly debit program for personal and real property tax payments, continued to be more timely in collecting delinquent taxes and enhanced its collection processes. The results of these efforts can clearly be seen above. Between FY02 and FY05, this indicator measured at 0.6 percent before bottoming at 0.5 percent between FY06 and FY08. In FY09 and FY10, uncollected real and personal property taxes reflect the impacts of the recessionary economic environment and the toll it has had on the citizens of Henrico County and the local real estate market, as the percentage of current uncollected real and personal property taxes increased to 0.7 percent in FY09 and 1.0 percent in FY10. In 2008, the number of residential foreclosures increased 93.4 percent from 2007. In 2009, foreclosures increased 37.6 percent, and in 2010 they increased another 48.9 percent. With a growing number of homeowners in the County having trouble making their mortgage payments, an increase in uncollected tax payments is expected.

One ancillary fact that needs to be mentioned is that the County's top ten "Principal Taxpayers" continued to constitute a large percentage of the tax base in FY10, though much less than in the previous fiscal year. The FY09 Trends document made the following observation:

"When [the top ten Principal Taxpayers] list is analyzed at the end of FY10, it will likely look much different [than FY09] and reflect a much smaller percentage of the overall tax base. In FY09, the ten "Principal Taxpayers"

Uncollected Current Property Taxes
(as a % of Total Levy)



consisted of Qimonda AG (by far the largest taxpayer in FY09), which closed its doors in January 2009, and seven of the remaining nine businesses reflect some of the hardest impacted sectors of the economy over the last two years, including retail establishments, warehouses, office space, and apartment property management companies. The remaining two businesses among the top ten “Principal Taxpayers” are both utility companies. This is an important note for this indicator due to the fact that collections of current taxes from the “Principle Taxpayers” of a locality are generally made in the year they are due. While this premise likely will remain true in the future, the companies on this list may likely be different and may make up a much smaller percentage of the tax base.”

In FY10, the top ten Principal Taxpayers constituted 6.9 percent of the overall tax base, down from 8.6 percent in FY09 and 9.6 percent in FY08. With the exception of Qimonda AG, the top ten Principal Taxpayer list remains the same as in FY09, mostly companies in the commercial real estate business. In fact, Qimonda AG was replaced on the “top ten list” by an apartment property management company. While the commercial real estate market continues to struggle, the County’s list of largest taxpayers will likely reflect less of the overall tax base in FY11 than in FY10.

In looking at this indicator over the eleven-year time period, a peak is depicted in FY00. However, even at its peak, uncollected current property taxes as a percent of the total levy measured 2.9 percent, well below the 5.0 percent level that Bond Rating agencies consider negative.

Due to enhancements made in the collections area in the past several years, it is not anticipated that this indicator will reach the 5.0 percent threshold, though it could increase from current levels. No long term warning trend is noted for this indicator, though the lasting effects of the recessionary economic environment may be a factor in the number of uncollected taxes in the immediate future.

WARNING TREND: Decreasing revenues from user charges as a percentage of total expenditures for providing related service.

Formula:

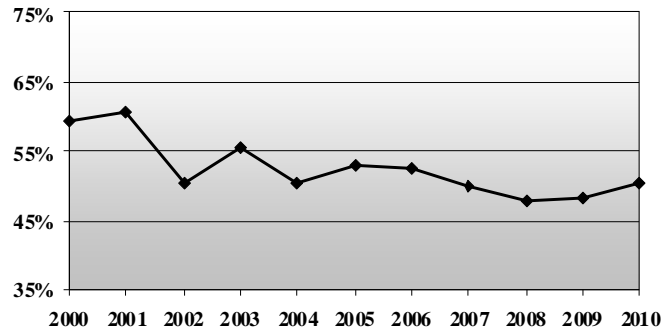
$$\frac{\text{Revenues from User Charges}}{\text{Expenditures for Related Services}}$$

User Charge Coverage:

User charge coverage refers to whether or not fees and charges cover the full cost of providing a service. Henrico County charges fees for the employee cafeteria, recreation activities, and building permits in the General Fund. In the Special Revenue Fund there are fees for the school cafeteria, mental health services, street lighting, and solid waste services. As coverage declines, the burden on other revenues to support these services increases. Inflation will erode the user charge coverage if not reviewed and amended periodically. Therefore, costs and fees should be reviewed frequently to ensure that the desired level of coverage is maintained.

User Charge Coverage

(Revenues/Expenditures)



Trends:

As shown in the graph, the user charge coverage for the County has measured less than 61.0 percent for this eleven-year period, with a low of 48.0 percent occurring in FY08, and a high of 60.7 percent occurring in FY01.

The indicator measures user coverage of seven specific expenditure areas. These are: Building Inspections, Employee Cafeteria, Mental Health, Recreation, Street Lighting, School Cafeteria and Solid Waste.

In looking at the larger operational components, the user charge coverage percentages for Building Inspections has typically been sufficient to cover the activities of that department. However, user charges as a percent of expenditures have fallen each year of this economic downturn due to the significant drop in the number of permits issued in each fiscal year since FY07. In FY07, the user charge coverage percentage for Building Inspections was 99.9 percent, followed by 77.5 percent in FY08, 54.7 percent in FY09, and 48.5 percent in FY10. As a result of the real estate market struggles, structure and equipment permit revenues dropped nearly 17.0 percent in FY08, followed by a decline of 31.2 percent in FY09 and another 18.7 percent in FY10. Mental Health's user charge coverage has actually increased over the eleven-year period from 29.3 percent to 41.5 percent due to third party fee payments made to that entity. The user charge coverage for Solid Waste has fluctuated, as in years where large capital expenditures are required for the landfill, operational revenues will not meet operational requirements. However, because Solid Waste has built up reserves for these occurrences, this has not impacted this operation in a negative manner. In looking at Recreation, the user charge coverage in this area has remained at approximately 50 percent throughout this time period. Also in this eleven-year time period, the School Cafeteria has typically generated sufficient revenues to cover operational requirements.

This indicator in the eleven-year period has averaged 52.6 percent. Excluding Recreation, the indicator has averaged 68.5 percent in the eleven-year period. Overall, no warning trend is noted for this indicator, although there is continued concern regarding structure and equipment permit revenues due to the continued struggles in the real estate market. The County will continue to maximize efforts to ensure coverage rates are appropriate to reduce reliance on other County revenues.

WARNING TREND: Increase in revenue shortfalls as a percentage of net operating revenues.

Formula:

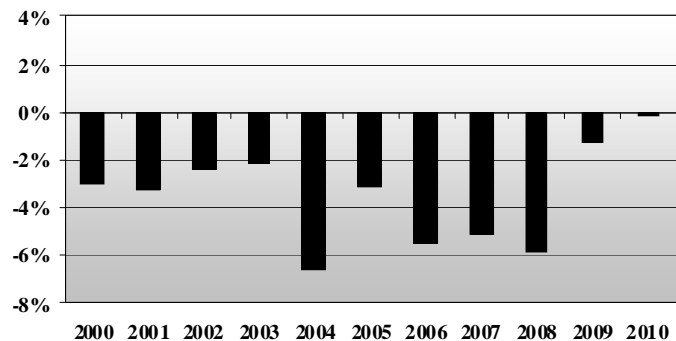
$$\frac{\text{Revenue Shortfalls}}{\text{Net Operating Revenues}}$$

Revenue Shortfalls:

This financial indicator examines the differences between revenue estimates and revenues actually received. It includes revenues in the General, Special Revenue, and Debt Service funds. Major discrepancies in revenue estimates can be an indication of a declining economy, inefficient collection procedures, or inaccurate estimating techniques. On the graph above, the “0” represents the fiscal year budgeted estimates. A positive number reflects a revenue shortfall, while a negative number reflects a revenue surplus.

Revenue Shortfalls

(as a % of Net Operating Revenues)



Trends:

The overall trend depicted above reveals that the County’s revenues exceeded budget estimates for each of the eleven years analyzed.

In looking at this eleven-year period, this indicator peaked in FY04, when the budget to actual revenue variance reached 6.6 percent. The low points may be found in the two most recent fiscal years, FY09 and FY10, when the variances were 1.2 percent and 0.2 percent, respectively. **In no case in this eleven-year time period did the County’s actual revenues not meet budgeted estimates.**

Looking at the trend since FY00, the County’s annual revenue variance has averaged 3.4 percent. The County of Henrico maintains a conservative posture when projecting revenues on an annual basis. In FY02 and FY03, the County experienced significant reductions in aid from the State of Virginia in a myriad of areas – the largest being Education. These reductions were the result of State budget shortfalls that came about due to the recession in 2001. By maintaining a conservative posture in the projection of revenues, the County was able to both weather the recession and maintain service levels in key areas, such as Education and Public Safety while continuing to expand needed infrastructure.

As noted earlier, the County’s reliance on elastic revenues has decreased over the past eleven years and in the pages that follow, a depiction of the County’s fund balance is positive. Because of the initiatives established by the Board of Supervisors over this time span - notably the capping of annual incremental expenditure growth and the decreasing reliance on elastic revenues - despite a struggling economy, the County has the ability to continue to maintain a conservative revenue posture in the future as a means of ensuring operational and financial stability. In fact, in spite of the recessionary economic environment in FY08, the budget to actual revenue variance of 5.8 percent reflected the second highest level in this eleven-year period, only behind FY04, the first fiscal year after an economic recession. In FY09, with virtually every revenue source impacted by the recession, the variance between actual revenue collections and budget estimates narrowed significantly, as the revenue surplus of 1.2 percent reflects the second lowest surplus in the eleven-year period examined. Revenues contracted further in FY10, as the 0.2 percent revenue surplus reflects the lowest in the period examined. This surplus was achieved in spite of actual revenues (across the General Fund, Special Revenue Fund, and Debt Service Fund) declining \$37.9 million in FY10 from the previous fiscal year. Adequate adjustments were made in the budget to accommodate this significant reduction in revenues.

The Adopted FY11 Budget reflects a reduction in General Fund revenues of \$51.7 million as compared to the FY10 Adopted Budget. This reduction was driven by continued reductions in State Aid to Henrico County and a significant decline in real estate valuations. State Aid was reduced another \$31.0 million in the FY11 General Fund budget as compared to the previous budget. In total, from FY09 to the FY11 Budget, the State has reduced funding to Henrico County by \$54.0 million, most of which was dedicated funding for Education. It should be noted that, combined, real estate tax revenues and State Aid represent more than two-thirds of all General Fund revenues for Henrico. In response to these revenue challenges, the County made a number of unprecedented budgetary decisions in FY11, including the elimination of 224 vacant positions (101 in General Government and 123 in Schools), implemented an anticipated “turnover rate,” and made across-the-board budget reductions for the second consecutive fiscal year. Because of these budgetary decisions, it is expected that the County will exceed its revenue estimates yet again in FY11, in spite of the numerous challenges economically.

Additional reductions to State Aid are anticipated by the General Assembly in the adoption of its FY12 Budget. In addition, real estate valuations declined another 1.1 percent overall on January 1, 2011. For the third consecutive year, County departments were instructed to make additional reductions in their respective operating budgets as the County begins preparation for its FY12 Budget. Because of continued concerns regarding two-thirds of General Fund revenues, a warning trend continues for this indicator.

WARNING TREND: Increasing number of employees per capita.

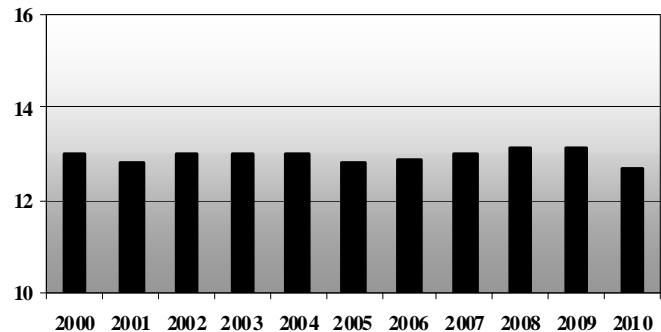
Formula:

$$\frac{\text{Number of General Government Employees}}{\text{Population}}$$

Employees per Capita
(Employees per 1,000 Population)

Employees Per Capita:

Personnel costs reflect the major portion of a locality's operating budget, and plotting changes in the number of employees per capita is another way to measure changes in expenditures. An increase in employees per capita might indicate that expenditures are rising faster than revenues, or that the locality is becoming more labor intensive, or that personnel productivity is declining.



Trends:

The County's General Government personnel complement (which does not include the personnel complement of the Henrico County Public Schools) has increased by 557 employees since FY00. The graph above illustrates that the employees per 1,000 population has generally measured around 13.0 employees per 1,000 population in the time period examined, with the peak at 13.1 in FY08 and FY09. The County's personnel complement total was 3,915 in FY10 and this indicator measured 12.7.

Annual declines in the employees per capita indicator were in FY01, FY05, and FY10. For three fiscal years, FY02 through FY04, this indicator measured at a stable level of 13.0 employees per 1,000 population.

The fiscal years FY06 through FY08 show slight annual increases in this indicator. In FY06, employees per 1,000 population increased to 12.9, in FY07 this indicator represented the average 13.0 employees, and FY08 reflected an increase to 13.1, the peak of this indicator, which remained consistent in FY09. In this time period, a number of new facilities approved in the March 2005 General Obligation Bond Referendum were fully staffed.

In October 2008, in response to a number of troubling economic indicators at that time, the County implemented a hiring freeze that impacted nearly all departments across the County. By FY10, the number of General Government vacant positions generated by the hiring freeze grew to more than 220. To assist in balancing the FY11 budget against significant revenue reductions, the County eliminated 101 of these vacant positions in FY10 and removed the funding for these positions in the FY11 budget. The result of this action is that the number of General Government employees per 1,000 population was reduced to 12.7, the lowest level of this indicator in the time period examined. The County's hiring freeze remains in place at this writing, and although no additional positions have been eliminated at this time, there will be very few positions added to the complement in the near future. As such, no warning trend is noted for this indicator.

It should also be noted that between FY00 and FY10, a total of 78 positions have been added to the Division of Police's complement. This expansion has largely been aided by obtaining Federal Community Oriented Policing Services (COPS) Grants. During this same time period, 197 additional positions have been added to the Division of Fire's complement as a means of ensuring an increasing population continues to receive these critical services in a timely manner. The continued expansion of the County's EMS efforts is perhaps the largest reason for the increase in Division of Fire personnel although Homeland Security requirements have also impacted personnel numbers.

The graph above does not exclude departments that offer specialized services not offered by most localities in the State. Henrico County is one of two Counties in the State that maintain their own roads, and the information above includes 258 employees in the Public Works department. This is because this trend analysis is not intended to be a comparable benchmark against other localities.

WARNING TREND: Increasing fringe benefit expenditures as a percentage of salaries and wages.

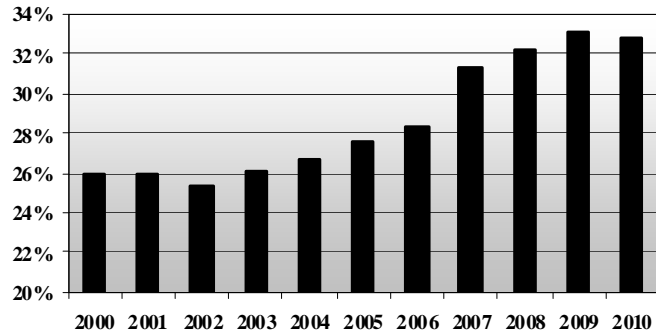
Formula:

$$\frac{\text{Fringe Benefit Expenditures}}{\text{Salaries and Wages}}$$

Fringe Benefits:

The fringe benefits measured on this indicator are: FICA Taxes, Payments to the Virginia Retirement System (VRS), Health Insurance, VRS Group Life Insurance, Unemployment costs and Worker's Compensation. The cost of these benefits is divided by the cost of salaries and wages paid in these years to obtain the percentages depicted on this chart. Charting these costs is valuable as they can inadvertently escalate and place a financial strain on a locality.

Fringe Benefits
(as a % of Salaries)



Trends:

The fringe benefits ratio has averaged 28.7 percent between FY00 and FY10. The high points reflected in this time frame are from FY07 through FY09, which measure 31.3 percent in FY07, 32.2 percent in FY08, and 33.1 percent in FY09. In FY10, fringe benefits as a percent of salaries fell to 32.8 percent; however, this statistic is extremely misleading as healthcare costs increased, and all other fringe benefit rates remained consistent with FY09. The reason for this reduction is the result of a budget savings measure at the State level by the General Assembly in which the State deferred its fourth quarter VRS payment to the following fiscal year, which eliminated the fourth quarter employer share of the VRS payment for teachers across all localities as teachers' VRS costs are partially funded by the General Assembly. The long-term trend in this indicator is clearly upward and prospects for the future continue to remain negative. The two principal reasons for the increase are health care and Virginia Retirement System costs. Both of these costs fall largely outside of the direct control of the County, as free market forces, or the Virginia General Assembly dictate costs in both of these areas.

First, in looking at health care costs, the County's cost for providing health care *per employee* in FY00 was \$1,811. By FY10, this cost had more than tripled to \$6,081 *per employee*, or a change of 235.8 percent. In the FY11 budget, the cost of health care has increased to \$6,128 *per employee*. While the County cannot influence national trends regarding the cost of health care insurance, Henrico has taken a very aggressive approach in cost-containment by transitioning health care to a self-insurance program, which went into effect January 1, 2008. Prior to this transition, the County's health care program operated as a fully insured program, which, in exchange for the payment of a premium, an insurance company assumed the risk, administered the program, and paid all claims. With the transition to a self-insured program, the County pays claims and third party administrative fees. Self-insurance allows the County to more fully control all aspects of the plan, including setting rates to smooth out the impact of increases on employees and the County, while maintaining adequate funding to cover claims, expenses, and services.

The second cost that is outside of the County's control is the cost of Virginia Retirement System (VRS) and life insurance benefits. The past seven Trends documents have noted concern regarding these rising costs. The concern is principally focused on one-time budget balancing actions of the Virginia General Assembly that reduce a State contribution rate for a finite period of time (to reduce immediate costs) and in later years, increase contribution rates as a result of segments of the system that are "under-funded." A recent example of the impact

of these past actions occurred in the FY05 budget, where the VRS rate for General Government employees increased by 42.5% in *one year*. The FY10 budget reflected a cost requirement of 16.01 percent of salaries for General Government employees – excluding teachers. Including teachers, the total cost for FY10 amounted to \$62.6 million for Henrico County.

A number of recent decisions and considerations by the General Assembly in regards to VRS are particularly troublesome. More specifically:

- ✓ In FY10, in an effort to conserve costs, the State made the decision to defer the entire fourth quarter VRS payment for all State supported groups to the following fiscal year, a move that saved the State \$33.9 million. The first quarter payment of FY11 was truly the fourth quarter FY10 payment, and until the State is fiscally able to make five quarterly payments in one fiscal year, these “savings” will essentially be a “skipped payment.”
- ✓ In its 2010-2012 Biennial Budget, the General Assembly significantly reduced VRS contribution rates for State supported groups, an effort that would save the State \$620 million over the two year period. Per the current budget language, which is subject to change with General Assembly approval, the State will have to repay the deferred funds to VRS over ten years, with 7.5 percent interest.

These decisions by the General Assembly will certainly have VRS rate implications in the coming budget cycles. The subject of pension payments remains a “hot topic” amongst the State legislators, and changes to the system are imminent.

With the transition to a self-insured health care program, the County is no longer completely at the mercy of health care market trends, as the self-insurance fund includes a rate stabilization fund that is intended to “flatten out” future health care cost increases. However, VRS and life insurance benefits continue to remain completely outside of the County’s control. To offset steep declines in the stock market, and subsequent VRS pension fund losses, in FY11, VRS rates for General Government employees increased from 16.01 percent to 17.16 percent of salaries, an increase of 7.2 percent. While, generally speaking, a 7.2 percent increase is nowhere near the increase of 42.5 percent experienced in FY05, it was much more difficult for the County to absorb this increase given the fact that the County’s General Fund budget declined \$51.7 million overall to offset a 7.8 percent reduction in real estate valuations, a reduction of \$31 million in State revenues, and declines in virtually every other County revenue source.

An additional cost that impacted this indicator is the VRS Life Insurance benefit for employees. This benefit was not funded by the State between FY02 and FY06 (and therefore – the County could not fund the local required amount). In FY07, the State re-instituted payment requirements, and in FY10, the County’s cost in this area equated to approximately \$2.6 million. In the State’s 2010-2012 Biennial Budget, the VRS Life rate was reduced from 0.79 percent to 0.28 percent of salaries in yet another effort to reduce expenditures. Like VRS, these temporary savings will likely result in greater rate increases when the State budget outlook improves in the future.

Because of continued concern over cost increases for retirement benefits, a warning trend for this indicator continues.

WARNING TREND: Decreasing amount of General Fund operating surpluses as a percentage of net operating revenues.

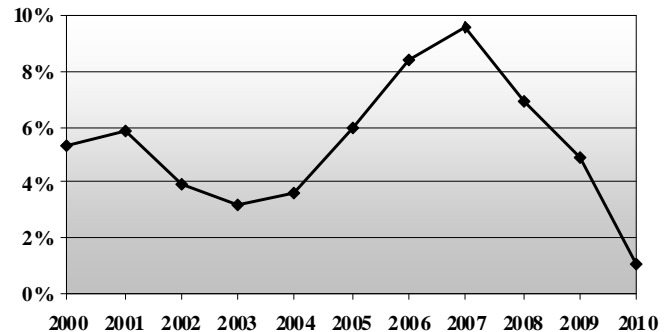
Formula:

$$\frac{\text{General Fund Operating Surpluses}}{\text{Net Operating Revenues}}$$

Operating Surpluses:

An operating surplus occurs when current revenues exceed current expenditures. If the reverse is true, it means that at least during the current year, the locality is spending more than it receives. This can occur because of an emergency such as a natural catastrophe that requires a large immediate outlay. It can also occur as a result of a conscious policy to use surplus fund balances that have accumulated over the years. The existence of an operating deficit in any one-year may not be cause for concern, but frequent occurrences may indicate that current revenues are not supporting current expenditures and serious problems may lie ahead.

Operating Surpluses
(as a % of Net Operating Revenues)



Trends:

The County of Henrico has produced an operating surplus for each of the eleven years presented. In FY00 and FY01, the local economy rebounded from the previous recession of the early 1990's with solid growth in the revenue categories of general property tax, sales tax, and business and professional license tax, producing annual operating surpluses of 5.3 percent and 5.9 percent, respectively. In FY02, as a result of the recessionary period and the decline in the County's elastic revenue sources and State budget reductions, the operating surplus dropped to 3.9 percent. State budget reductions also impacted the County's revenue streams in FY03 as evidenced by a drop in the operating surplus from 3.9 percent in FY02 to the FY03 level of 3.2 percent. In FY04, the operating surplus improved to a level of 3.6 percent, although the effects of the State's recent budget reductions continued to be reflected in this lower than average operating surplus. In FY05, the operating surplus returned to historic post-recession averages and measured 6.0 percent, followed by an 8.4 percent in FY06.

In FY07, with continued increases in the County's elastic tax revenues, the operating surplus reflected a variance of 9.6 percent, the highest surplus in this eleven-year period. In FY08, despite net operating revenue collection growth at its lowest level since the last recessionary period of FY02 and FY03, the operating surplus reflected a variance of 6.9 percent, well above the eleven-year average of 5.9 percent. In FY09, eighteen months into the worst recessionary economic environment since the Great Depression, the County achieved an operating surplus of 4.9 percent. In the most recent fiscal year, the County achieved an operating surplus of 1.1 percent, by far the lowest in the period examined. The General Fund achieved an operating surplus of \$10.3 million in FY10, also the lowest in the period examined. However, considering the environment in which this surplus was achieved, and the fact that this was accomplished without raising taxes, laying off employees, or cutting service levels, this operating surplus is considered in a very positive light. It is a testament to the County's history of conservative financial policies of capping incremental expenditure growth annually and, as a result, estimating revenues extremely conservatively. In fact, the eleven-year trend of annual operating surpluses is an indication of Henrico County's sound financial condition and reflects Henrico's conservative budgetary policies. In addition, this trend reflects growth in recurring revenues that consistently exceed the growth in recurring expenditures and therefore minimize the use of one-time funding sources, such as fund balance. Going forward, no warning trend is noted.

WARNING TREND: Consistent enterprise losses.

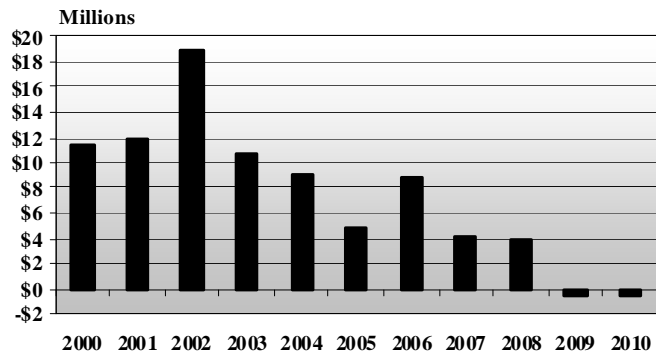
Formula:

Enterprise Profits or Losses in Constant Dollars

Enterprise Losses:

Enterprise losses are a highly visible type of operating deficit. They show potential problems because enterprise operations are expected to function as a "for profit" entity as opposed to a governmental "not for profit" entity. Managers of an enterprise program may raise rates and find that revenues actually decrease because users reduce their use of the service. Enterprises are typically subject to the laws of supply and demand; therefore, operating deficits are distinct indicators of emerging problems. On the graph above, the **negative numbers on the scale represent operating losses**. It should be noted that depreciation expenses are included in this analysis.

Enterprise Profits or Losses
(In Constant Dollars)



During the eleven-year period shown, Henrico County's enterprise operations have included Water and Sewer services, and the Belmont Golf Course.

Trends:

With the exception of the most recent fiscal years, FY09 and FY10, the overall trend shown above has reflected positive results. The Water and Sewer Fund consistently makes up more than 90.0 percent of the total net income or loss reported in the Enterprise Funds.

The upward trend between FY00 and FY02 reflected a combination of steady customer growth and moderate annual rate increases between FY95 and FY00 that were able to provide revenues sufficient to cover all current operating costs, including depreciation expenses. Water and Sewer rates were not raised in FY01, FY02, or FY03 due to sufficient bond coverage ratios and resources to fund long-term infrastructure repairs. Water and Sewer rates were increased slightly each year from FY04 through FY09 in order to ensure that long-term infrastructure continues to be maintained. No rate increase was given in FY10.

From FY03 through FY10, a downward trend is evident in the chart above. There are a number of factors impacting this indicator during this time frame. First, it should be noted that, after increases in expenditures of 1.5 percent and 1.3 percent in FY01 and FY02, respectively, expenditures grew at increasing rates each year from FY03 (5.5 percent increase) through FY06 (9.1 percent increase). From FY07 through FY10, operating expenditure growth outpaced revenue growth in each fiscal year, mostly a result of the downturn in the economy which impacted revenue growth. As can be seen in the chart above, the last two fiscal years, FY09 and FY10, reflect the only times in this eleven-year time frame that operating revenues were insufficient to cover operating expenditures. This is not indicating that the Water and Sewer Fund did not make an overall "profit" in these fiscal years. However, it does indicate that operating requirements in FY09 and FY10 required the use of revenue sources that are generally associated with infrastructure, not operations, such as water and sewer connection fees. It should be noted that depreciation expenditures are included in this analysis, which are simply an accounting entry and do not impact cash flow. **Excluding depreciation expenditures, this indicator would reflect operating profits for all fiscal years examined in this analysis.**

Even with its operating “losses” posted in the last two fiscal years of this analysis, during this entire eleven-year period, the Water and Sewer Fund generated sufficient net revenues each year to exceed the coverage requirements under its Revenue Bond covenants. As a result of the consistent financial results experienced by the Water and Sewer Fund, Fitch IBCA awarded Henrico County an “AAA” rating in 2001. In 2008, Standard & Poor’s upgraded its rating to an “AAA” as well. To achieve one “AAA” bond rating is very rare for bonds issued by local Utility departments, and Henrico County’s Water & Sewer Fund has two of them.

The Enterprise Funds’ operating results displayed above also reflect the financial performance of the Belmont Golf Course. From FY00 to FY07, the Belmont Golf Course reported net operating losses of varying amounts. These losses were due to several factors. Rounds of play for each of these fiscal years were less than FY99 due to an increase in the number of golf courses in the area. Additionally, expenditures to correct turf damage and capital improvements were incurred in each of these years. In FY04, the Belmont Golf Course suffered significant damage as a result of *Hurricane Isabel*.

In FY08, the Belmont Golf Course posted its first positive operating result since FY99. In that fiscal year, the Belmont Golf Course implemented a number of business model changes that promoted finding efficiencies in its operations to allow for reduced expenditures and the ability to maximize revenues from every source. In FY08, revenue collections increased nearly 11.0 percent from the prior fiscal year, while expenditures were actually reduced by 1.4 percent. Rounds of play in the fiscal year were up 3.3 percent from the prior fiscal year.

In spite of the operating “profit” in FY08, the FY08 Trends document noted the following observation:

“The current economic environment will likely take its toll on Belmont Golf Course and hinder revenue growth in the near future.”

In FY09, the Belmont Golf Course experienced an 8.0 percent decline in the number of rounds of play as compared to FY08. The number of rounds played fell another 6.8 percent in FY10. As such, the Golf Course posted net operating losses in both fiscal years. Substantial improvement is not anticipated in FY11, as residents’ discretionary spending continues to be impacted due to a number of citizens that remain unemployed in the County. To help return the Golf Course to profitability, an increase in green fees was approved in FY11. Until consistent and sustainable increases in the number of rounds played are realized, a warning trend for the Golf Course *continues*.

WARNING TREND: Declining unrestricted General Fund Balance as a percentage of net operating revenues.

Formula:

$$\frac{\text{Unrestricted General Fund Balance}}{\text{Net Operating Revenues}}$$

General Fund Unrestricted Balance:

The level of a locality's unrestricted fund balance may determine its ability to withstand unexpected financial emergencies, which may result from natural disasters, revenue shortfalls, or steep rises in inflation. It also may determine a locality's ability to accumulate funds for large-scale one-time purchases without having to incur debt. *Note: This historical depiction is reflected differently than the percentages typically referred to in the Annual Fiscal Plan as "net operating revenues."* ***In the Trends***

document, this includes the General, Special Revenue and Debt Service Funds. As such, the percentage reflected on this page is lower than what is reflected in the Annual Fiscal Plan, which reflects the General Fund Unrestricted balance as a percentage of General Fund expenditures.

Trends:

Henrico County's unrestricted General Fund balance as a percentage of net operating revenues has grown from 10.0 percent in FY00 to 14.3 percent in FY10. As noted above, the depiction of this indicator in the Trends document is different than the indicator reflected in the Annual Fiscal Plan.

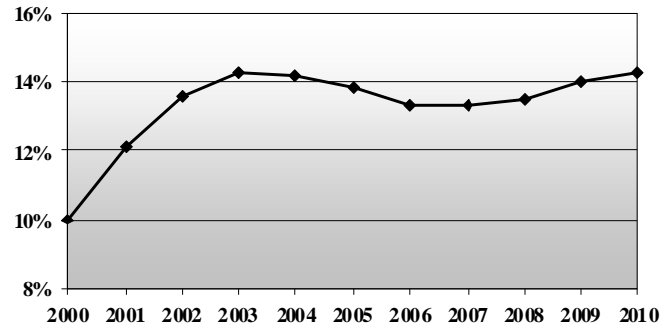
Looking at the trend, between FY00 and FY03, the County's percentage of unrestricted fund balance reflected an upward trend before leveling off in FY04 and remaining constant at 13.3 percent for FY06 and FY07. The County's percentage of unrestricted fund balance has increased in each fiscal year since the most recent economic recession began, from FY08 through the most recent fiscal year, FY10. In FY08, the indicator increased slightly to 13.5 percent, in FY09 it increased to 14.0 percent, and in FY10 the indicator increased to 14.3 percent.

This is particularly positive considering that during FY02, FY03, and FY04, the County's revenues were impacted by State funding reductions, and the effects and after-effects of a national recession. Of even greater significance, the County's overall unrestricted fund balance grew by 10.8 percent from FY07 to FY10, and part of this period was marked by the worst economic environment since the Great Depression. The increase in this indicator has been influenced by the County's conservative posture when estimating available revenues and expenditure controls imposed on both General Government and Education.

In FY04, the County of Henrico faced a significant natural disaster, *Hurricane Isabel*. In the aftermath of the storm, the County's Board of Supervisors was able to appropriate over \$20.0 million for the massive cleanup that was required. In FY05, the County of Henrico was deluged with *Tropical Storm Gaston* and the Board again was able to quickly react to the damage to public facilities by appropriating \$8.0 million. The fact that the County has a strong unrestricted fund balance ensures that in times of emergency, the County has the resources to react quickly and effectively to ensure that the service delivery our residents expect continues in the manner expected.

In spite of the continuing economic troubles and subsequent revenue declines, particularly in the areas of State aid and real estate, as noted on numerous occasions throughout this document, the County's unrestricted General Fund balance *as a percentage of net operating revenues* will likely increase once again in FY11. Because of

General Fund Unrestricted Balance
(as a % of Net Operating Revenues)



adjustments made to expenditures in FY11 to offset anticipated declines in revenues, the County will likely add to fund balance on June 30, 2011. Also, because of an anticipated net decline in operating revenues in FY11, if unrestricted General Fund balance remains relatively flat, an increase will be reflected in this indicator for FY11.

Overall, the County's Unrestricted General Fund Balance reflects a positive trend since FY00 that places Henrico in a desirable position for a local government. Henrico County has been assigned an AAA/AAA/Aaa bond rating, making it one of 34 counties in the nation to hold such a rating. The maintenance of a healthy fund balance is a critical component examined by rating agencies when assigning bond ratings. Henrico has a long history of maintaining a healthy unrestricted General Fund balance and will continue to use prudence in safeguarding this resource. As such, no warning trend is noted for this indicator.

WARNING TREND: Decreasing amount of cash and short-term investments as a percentage of current liabilities.

Formula:

$$\frac{\text{Cash and Short-term Investments}}{\text{Current Liabilities}}$$

Liquidity:

A good measure of a locality's short-run financial condition is its cash position. "Cash position" includes cash on hand and in the bank, as well as other assets that can be easily converted to cash, such as short-term investments. The level of this type of cash is referred to as liquidity. It measures a locality's ability to pay its short-term obligations.

Short-term obligations include accounts payable, the principal portion of long-term debt and other liabilities due within one year of the balance sheet date. The effect of insufficient liquidity is the inability to pay bills or insolvency. Declining liquidity may indicate that a locality has overextended itself.

Trends:

A liquidity ratio of greater than 1:1 (more than 100 percent) is referred to as a "current account surplus." Henrico County has been successful in achieving a current account surplus for the eleven-year period shown. In the eleven year period from FY00 to FY10, cash and short-term investments grew at an average annual rate of 9.9 percent, outpacing the average annual growth in current liabilities in that eleven year period of 7.7 percent.

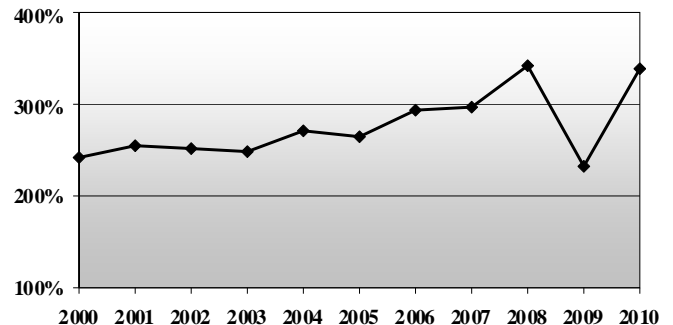
From the chart above, this indicator reflects a large "dip" downward in FY09. In that fiscal year total current liabilities increased by 58.1 percent, mostly in the area of "principle due in 12 months." It should be noted, however, that the spike in "principle due in 12 months" is misleading, as it mostly reflects two bond refundings in CY09. It is important to note that the County's bond refundings do not increase the County's outstanding long-term debt or the length of time to pay off the debt. "Principal due in 12 months" related to newly issued debt is minimal by comparison. In fact, ignoring the impact of the bond refundings in CY09 altogether, current liabilities only increase 13.6 percent instead of 58.1 percent, and the Liquidity indicator would reflect 323.2 percent in FY09, much higher than the recorded 232.2 percent. In FY10, this indicator increased to 339.4 percent.

Over the past eleven years, the County has maintained an average liquidity ratio of 2.76:1, which is more than *twice* the defined "current account surplus" above. The low point in this indicator of 2.32:1 was experienced in FY09. By performing annual debt capacity reviews and by compiling a five-year Capital Improvement Program that encompasses all funds, and by ensuring that those capital projects which obtain funding are appropriately cross-walked to the annual operating budget, the County of Henrico will not incur liabilities at a rate that cannot be supported within established resources.

No warning is warranted for this indicator.

Liquidity

(Cash & Investments as a % of Current Liabilities)



WARNING TREND: Increasing current liabilities at end of year as a percentage of net operating revenues.

Formula:

$$\frac{\text{Current Liabilities}}{\text{Net Operating Revenues}}$$

Current Liabilities:

Current liabilities include short-term debt, the current principal portion of long-term debt, accounts payable and other current liabilities due within one year of the balance sheet date. A major component of current liabilities may be short-term debt in the form of tax or bond anticipation notes. Although the use of short-term borrowing is an accepted way to handle erratic flows of revenues, an increasing amount of short-term debt outstanding at the end of successive years can indicate liquidity problems, deficit spending, or both.

Trends:

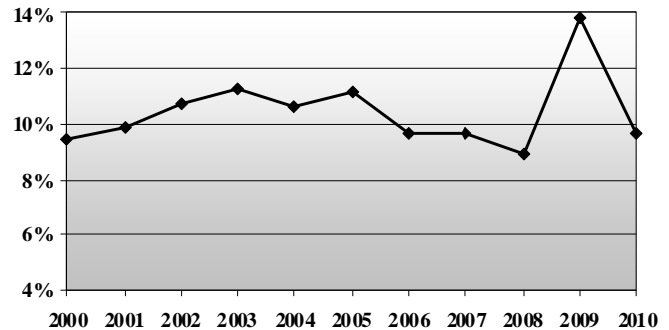
In the eleven-year trend depicted above the indicator has gone from a low of 8.9 percent in FY08, to a high of 13.8 percent in FY09. The level for FY09 is the highest in this eleven-year period for two overriding reasons. First, as noted in the “Liquidity” indicator narrative, total current liabilities increased 58.1 percent in FY09 as compared to the previous fiscal year. However, this increase is misleading, as it is mostly attributed to an increase in “principal due in 12 months” as a result of two bond refundings in CY09, with only minimal impact, by comparison, due to newly issued debt. This indicator fell to 9.7 percent in FY10, which more closely reflects the average in this eleven-year period.

There are two large components that make up this indicator, the first of which is recorded “accounts payable.” The FY10 total for this liability measured \$48.3 million, which reflects a reduction of \$5.0 million when compared to the FY09 totals. It is important to note that the accounts payable does fluctuate based on purchasing activity within the governmental unit.

The second large component, “principal due in 12 months,” reflected a reduction of \$41.8 million in FY10. As previously noted, the large increase in FY09 was misleading, as it reflected two bond refundings. The FY10 figure reflects a normalization of this component. In November 2000 the voters approved a \$237.0 million General Obligation Bond Referendum. In March of 2005, the voters approved a \$349.3 million General Obligation Bond Referendum. Both referenda included School, Fire, Roadway, Public Library, and Recreation and Parks projects. The County of Henrico chose to phase in this debt over a multi-year time period (both referenda assume the debt would be phased in over a seven-year time frame). By taking this approach, the County has been able to pay required debt service costs and ancillary operating expenses without negatively impacting its operating budget and this indicator is reflective of that planning.

For this eleven-year period, this ratio has been between 8.9 percent and 13.8 percent of net operating revenues. Although the general trend over this time period is upward, the fact that the County has not experienced significant annual changes in this indicator, excluding the misleading increase in FY09, is reflective of the County’s conservative financial management approach. Also, this consistency is reflective of the County’s conservative debt management practices and successful long-term planning for infrastructure improvements. This

Current Liabilities
(as a % of Net Operating Revenues)



indicator is very much aligned with the next two indicators: 1) long-term debt as a percentage of assessed valuation and 2) debt service as a percentage of net operating revenues.

At this writing, the County issued \$72.2 million in new debt in FY11, and still has \$69.0 million in GO bonds scheduled to be sold in the next two fiscal years, FY12 and FY13, as was approved in the March 2005 GO Bond Referendum. With declines in revenues in FY11, this indicator will remain relatively high in the immediate future. However, no long term warning trend is noted.

WARNING TREND: Increasing amount of net direct long-term debt as a percentage of assessed valuation of real property.

Formula:

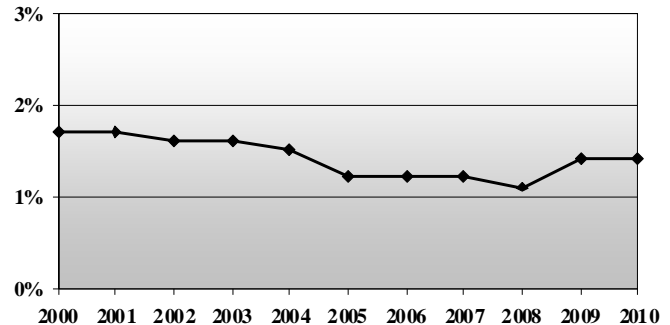
$$\frac{\text{Net Direct Bonded Long-term Debt}}{\text{Assessed Valuation of Real Property}}$$

Long-Term Debt:

A locality's ability to repay its debt is determined by comparing net direct long-term debt to assessed valuations. Net direct long-term debt is direct debt minus self-supporting debt such as revenue bonds or special assessment bonds, which have a repayment source separate from general tax revenues. An increase in net direct long-term debt as a percentage of real property valuation can indicate that a locality's ability to repay its obligations is diminishing.

Long-Term Debt

(as a % of Assessed Valuation of Real Property)



Another way to monitor the growth in debt is to measure it on a per capita basis. As population increases, it would be expected that capital needs, and hence, long-term debt needs may increase. The underlying assumption is that a locality's revenue generating ability, and ability to repay debt, is directly related to its population level. The concern is that long-term debt should not exceed the locality's resources for paying the debt. If this occurs, the locality may have difficulty obtaining additional capital funds, may pay a higher rate of interest for them, and therefore may have difficulty in repaying existing debt.

Trends:

During the eleven-year period shown above, the long-term debt indicator reached a high point of 1.7 percent in FY00 and FY01. Despite a slowdown in real property assessed valuation, the FY08 indicator of 1.1 percent reflected the low point in this eleven-year period. In FY09, the indicator increased to 1.4 percent, due to a 27.1 percent increase in long-term debt, as the County issued \$137.5 million in General Obligation and VPSA Bonds.

In addition, in FY09 the County experienced growth in real estate valuations of only 0.7 percent. This combination caused a spike in this indicator in FY09. In FY10, this indicator remained constant at 1.4 percent; however this statistic is slightly misleading. The County delayed by one year the sale of \$77.5 million in new debt originally scheduled for FY10 as a result of the economic downturn and its impact on revenue streams. With no new debt added in FY10, the County was able to reduce its long-term debt amount by 8.5 percent in one fiscal year. However, real estate valuations declined an unprecedented 7.8 percent on January 1, 2010. The significant reductions in long-term debt and real estate valuations offset each other and caused the indicator to remain constant.

As seen above, Henrico County's percentage of net long-term debt to real property valuations has remained relatively stable. In FY01 and FY02, the County began phasing in debt associated with the General Obligation Bond Referendum approved by the voters in November 2000. As of the end of FY10, the County's net direct long-term debt was \$460.5 million, which reflects a net reduction of \$43.0 million when compared to FY09.

The County performs a debt affordability analysis (outside of the depiction in the Trends document) that calculates an indicator similar to the methodology employed above. In the debt affordability analysis, personal property is added to real property when determining "long-term debt as a percent of total assessed value." Adding the assessed value of personal property to real property lowers the percentage slightly, but this is the

current methodology utilized by the Bond Rating Agencies for Virginia localities. The debt affordability analysis also calculates debt per capita and debt as a percentage of General Fund expenditures, which are two indicators used by the Bond Rating Agencies to determine a locality's ability to issue debt.

At this writing, the County issued \$72.2 million in new debt in FY11, and still has \$69.0 million in GO bonds scheduled to be sold in the next two fiscal years, FY12 and FY13, as was approved in the March 2005 GO Bond Referendum. With a decline in real estate valuations in FY11, this indicator will remain relatively high in the immediate future. However, no long term warning trend is noted.

WARNING TREND: Increasing amount of net direct debt service as a percentage of net operating revenues.

Formula:

$$\frac{\text{Debt Service}}{\text{Net Operating Revenues}}$$

Debt Service:

Debt service is the amount of principal and interest that a locality must pay each year on net direct long-term debt, plus the interest it must pay on direct short-term debt. As debt service increases, it adds to a locality's obligations and reduces the locality's expenditure flexibility.

Debt service can be a major part of a locality's fixed costs, and its increase can indicate excessive debt and fiscal strain. If debt service on net direct debt exceeds 20.0 percent of operating revenues, it is considered a potential problem. Below 10.0 percent is the rate preferred by bond rating agencies. **It should be noted that "net operating revenues" used in this indicator include the General, Special Revenue and Debt Service Funds.** Debt service for this indicator includes principal and interest payments for General Obligation bonds, Virginia Public School Authority (VPSA) debt, Literary Loan debt, and Lease Revenue bonds including the Regional Jail. The indicator does not include Enterprise Fund debt.

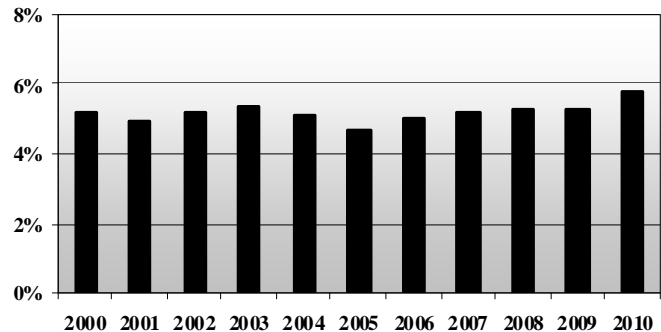
Trends:

As shown in the graph above, the debt service percentage reached the high point of 5.8 percent in the most recent fiscal year, FY10, and the low point of 4.7 percent may be found in the FY05 total. It is important to note that in this eleven-year time period, this indicator has fluctuated within a range of 1.1 percent.

This indicator will trigger a warning if the increase in debt service consistently exceeded the increase in net operating revenues. The issuance of debt normally results in a slight increase in this indicator, because in the year following the issuance of debt, the amount of debt service generally grows at a faster rate than operating revenues, however the consistency reflected above is indicative of the meticulous analysis that is performed before any debt issue is undertaken.

In November of 2000, the County's voters approved a \$237.0 million General Obligation (G.O.) Bond Referendum and in the Spring of 2005, the County's voters approved a \$349.3 million G.O. Bond Referendum. These referenda included School, Fire, Roadway, Public Library, and Recreation and Parks projects. The financial plan that coincided with the approval of these projects assumed that the County would issue this debt over a seven-year period for each of the approved referenda. In FY01, the County issued the first of these planned issues and that totaled \$37.1 million. In FY02, the County issued \$27.0 million in G.O. notes. In FY03, the County issued \$51.8 million and in FY04, the County issued \$38.9 million of G.O. bonds. In FY06, the County issued \$77.8 million and in FY07, the County issued \$71.9 million of G.O. notes. In FY08, the County issued \$29.8 million in G.O. bonds and in FY09, the County issued \$93.1 million in G.O. Bonds. Also in FY09, the County issued \$44.4 million in VPSA Bonds for a number of Schools projects approved on the March 2005 referendum that required additional funding due to unanticipated increases in construction costs. The County delayed by one year the sale of \$77.5 million in new debt originally scheduled for FY10 as a result of the economic downturn and its impact on revenue streams.

Debt Service
(as a % of Net Operating Revenues)



There are important differences in this indicator and the “Long-Term Debt” indicator. The “Debt Service” indicator reflects the amount of principal and interest the County pays annually on its long-term debt as a percentage of operating revenues. The “Long-Term Debt” indicator reflects the County’s total outstanding debt as a percentage of assessed real estate valuation. The “Long-Term Debt” indicator graph reflects a sharp uptick in FY09 due to the large amount of debt issued in that fiscal year. However, that spike is not evident in the “Debt Service” indicator chart. This is due to the County’s two bond refundings in CY09 that achieved substantial debt service savings. The realized savings were mostly allocated in FY09 through FY11 to help the County offset anticipated revenue reductions as a result of the difficult economic environment. It should be noted that the County took part in another bond refunding in May 2010 that generated significant savings mostly targeted for FY11 through FY13.

In FY10, the “Debt Service” indicator increased to 5.8 percent in spite of debt service savings attributed to the bond refundings and not issuing any new long-term debt in this fiscal year. The reason for this increase is twofold. First, debt service costs increased from the previous year due to the first full-year payment of the 2008 VPSA issue. The FY09 debt service payment associated with this issue was only for six months of interest. Second, significant declines in State aid and real estate tax revenue in FY10 yielded a significant reduction in net operating revenues. However, going forward, no warning trend is noted.

One last note needs to be mentioned. This indicator is different than a similar indicator included in the annual debt affordability analysis – which is “debt service as a percentage of General Fund Expenditures.” However, this examination in the Trends document does cross-verify the results of the debt affordability analysis.

WARNING TREND: Increasing days of unused vacation leave per municipal employee.

Formula:

$$\frac{\text{Total Days of Unused Vacation Leave}}{\text{Number of General Government Employees}}$$

Accumulated Vacation Leave:

Localities usually allow their employees to accumulate some portion of unused vacation, which may be paid at termination or retirement. This expenditure is rarely funded while it is being accumulated although the costs of the benefit are covered through normal attrition. This is because of the fact that when an employee with many years of service is replaced, that employee is typically replaced with an employee with fewer or no years of service. The salary differential on a global

basis is sufficient to pay for this benefit in any given fiscal year. While there is no fiscal impact that arises from this indicator, its inclusion is useful in depicting the overall vacation leave balances of the General Government workforce. Finally, it needs to be noted that vacation leave balances not utilized by the beginning of the new calendar year, are readjusted downward (that is, time is “lost”), so the number included within this indicator is simply a reflection of June 30 balances. Because this number is not on a calendar year basis, the indicator may slightly overstate the actual vacation leave balances (as it does not account for actual vacation leave not utilized).

Trends:

In terms of the overall trend, the accumulated vacation leave indicator has averaged 23.5 days during the eleven-year period. What can be seen throughout this time period is stability in this indicator as it has ranged from a low of 22.5 days in FY07 to the high point of 26.0 days in FY10.

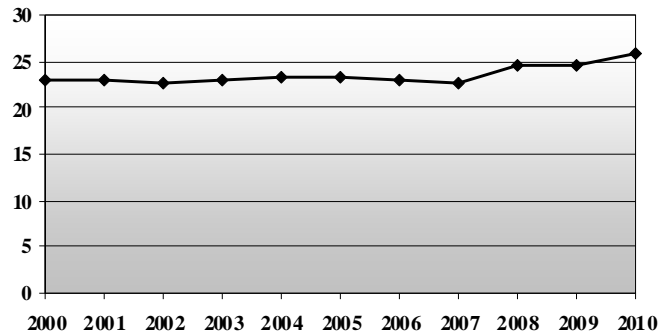
In looking at the graph above, the indicator remains relatively flat until FY08. This is due to an adjustment of annual leave accrual rates and increased “carry-over” hours (less time “lost”) for employees with fifteen or more years of service. The FY09 accumulated vacation leave indicator remained relatively constant with FY08. FY10 experienced an unusual increase to 26.0 days of accumulated vacation leave per employee, mostly a result of the reduction in the number of General Government employees in that fiscal year. To assist in balancing the FY11 budget to significantly reduced revenues, the County eliminated 101 vacant General Government positions. The increase reflected in the graph would likely normalize in the following fiscal year, FY11, if no further vacant positions are eliminated. In the entire eleven-year period, this indicator has fluctuated within a range of 3.5 days.

The overall slight upward movement since FY00 is reflective of the County’s workforce, which is aging to a certain extent and employees with more seniority earn more hours of vacation leave than less senior employees. Henrico County’s vacation leave indicator will generally increase as the average length of employment of County employees’ increases.

The most recent information suggests the County has a workforce whose average age is 46. The average County employee has been with the County for nearly eleven years (Source: Human Resources Department Annual Report, FY2009-10).

No warning trend is noted for this indicator.

Accumulated Vacation Leave
(Days per Employee)



WARNING TREND: A decline in capital outlay in operating funds as a percentage of net operating expenditures.

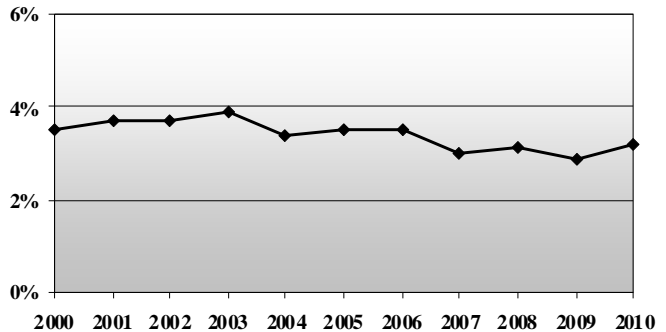
Formula:

$$\frac{\text{Capital Outlay from Operating Funds}}{\text{Net Operating Expenditures}}$$

Level of Capital Outlay:

Capital outlay includes expenditures for equipment in the operating budget, such as vehicles or computers. It normally includes equipment that will last longer than one year. Capital outlay does not include capital improvement expenditures for construction of capital facilities such as streets, buildings, fire stations, or schools.

Level of Capital Outlay (as a % of Net Operating Expenditures)



The purpose of capital outlay in the operating budget is to replace worn equipment or add new equipment. The level of capital outlay is a rough indicator of whether or not the stock of equipment is being maintained in good condition. However, this indicator does not reflect the cost of routine maintenance and repair. If this indicator is declining in the short run of one to three years, it could mean that a locality's needs have temporarily been satisfied, because most equipment lasts more than one year. If the decline persists over three or more years, it can be an indication that capital outlay needs are being deferred, resulting in the use of obsolete and inefficient equipment and the creation of a future unfunded liability.

Trends:

The eleven-year trend for this indicator depicts a range between 2.9 percent and 3.9 percent, which is indicative of the consistency of meeting capital outlay requirements within the operating budget. In FY00, this indicator reflected a total of 3.5 percent, while the FY10 total measures 3.2 percent. In fiscal years FY05 and FY06, the indicator remained constant at 3.5 percent and decreased by 0.5 percent to 3.0 in FY07. Although this percentage dropped in FY07, it is important to note that the indicator rebounded in FY08, showing a positive increase over the prior fiscal year. The County's level of capital outlay has averaged 3.4 percent of net operating expenditures throughout this eleven-year period.

In the recessionary economic environment of FY02 through FY04, in spite of a number of revenue challenges, particularly reductions in State aid, the County was able to maintain a stable level of capital outlay expenditures. This may be considered positive as the County was not forced to defer capital outlay expenditures in order to maintain a balanced budget. However, the current economic difficulties have presented much deeper revenue challenges than experienced in FY02 through FY04.

In FY09, the indicator fell to the lowest level in the eleven-year time frame at 2.9 percent. However, as in FY08, the indicator rebounded in FY10 to 3.2 percent, in spite of across-the-board operating budget reductions in FY10. It should be noted that in FY11, a second round of across-the-board budget reductions were implemented, and the FY12 budget development process will include yet another round of reductions to all departments. With three consecutive fiscal years of budget reductions, it is very likely that departments will have little choice but to consider capital outlay funding reductions to some degree, which could result in obsolete or inefficient equipment in the near future. As such, a warning trend is noted for this indicator.

The overall consistency in capital outlay expenditures in the eleven years examined may be viewed as a positive trend as current capital outlay needs are being met within existing resources. These capital outlay expenditures are largely concentrated in the areas of new computer equipment, replacement computers, and replacement vehicles, particularly in the area of public safety.

WARNING TREND: Decreasing amount of depreciation expense as a percentage of total depreciable fixed assets for Enterprise Funds and Internal Service Funds.

Formula:

$$\frac{\text{Depreciation Expense}}{\text{Cost of Depreciable Fixed Assets}}$$

Depreciation:

Depreciation is the mechanism by which a cost is associated with the use of a fixed asset over its estimated useful life. Depreciation is recorded only in the Enterprise and Internal Service Funds.

Total depreciation expense typically remains a relatively stable proportion of the cost of the entity's fixed assets. The reason is that older assets, which are fully depreciated, are usually removed from service and newer assets take their place. If depreciation expenses start to decline as a proportion of the fixed asset cost, the assets on hand are probably being used beyond their estimated useful life.

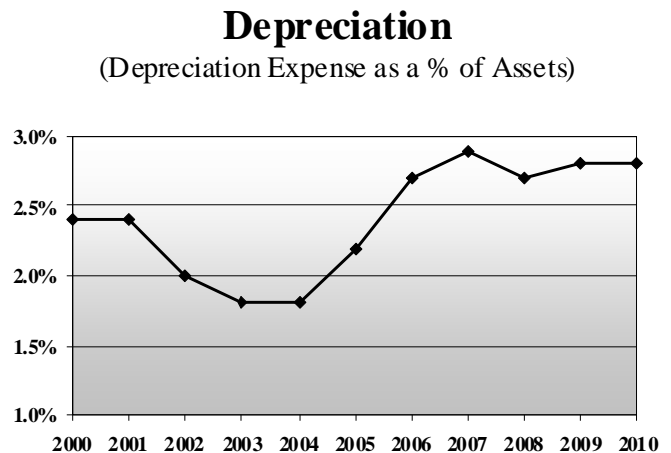
Trends:

The chart above reflects two overall trends. First, in FY00 and FY01, depreciation expense for the County of Henrico remained consistent at 2.4 percent. However, in FY02, with the implementation of GASB 34, a change was required in the length of depreciation for Utilities infrastructure. The change increased the time for depreciating many of these assets and is based on an industry standard. (GASB 34 required standardization in many areas that encompass fixed assets of localities and one of the changes actually increased the term of depreciation for certain assets). Concurrent with this, the value of fixed assets arising from the County's new Water Treatment Plant resulted in an increase in County "assets" of nearly \$92.0 million over a two-year period, although that increase is really of a one-time nature. The drop in FY08 is a result of a change in the capitalization threshold for personal property (furniture, vehicles, and equipment/software) from \$2,500 to \$5,000. In FY09, depreciation expenditures as a percentage of depreciable fixed assets yielded 2.8 percent, a slight increase from the prior fiscal year indicator of 2.7 percent. This indicator remained constant at 2.8 percent in the most recent fiscal year, FY10.

What this graph shows clearly, is that with the standardization in the recordation of fixed assets that is the result of GASB 34, this indicator now reflects a level that is slightly higher than that noted in the 1990's. This result was anticipated as assets of the Enterprise Fund continue to increase in value as the number of customers and the assets of the system continue to increase.

The absence of a truly downward trend suggests that the County's depreciable assets are not currently being used past their depreciable useful life.

No warning trend is noted for this indicator.



WARNING TREND: A decreasing growth rate or a sudden increase in population.

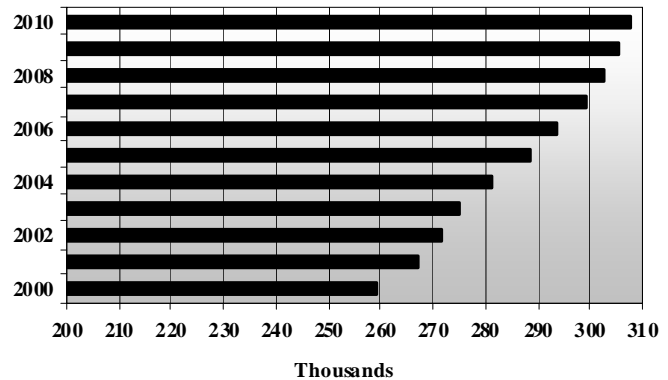
Indicator:

Population of County Residents

Population

Population:

Empirical evidence indicates that changes in population can have a direct effect on a locality's revenue because of the impact upon related issues, such as employment, income, and property value. A sudden increase in population can create immediate pressures for new capital outlays for infrastructure and for higher levels of service, particularly in the areas of Education, Public Safety and Recreation.



A locality faced with a declining population is rarely able to reduce expenditures in the same proportion as it is losing population. Many expenditures such as debt service, government mandates, and salaries are fixed and cannot effectively be reduced in the short run. In addition, because of the interrelationship between population levels and other economic and demographic factors, a decline in population tends to have a cumulative negative effect on revenues - the further the decline, the more adverse the effect on employment, income, housing and business activity.

Trends:

The County of Henrico has experienced a steady growth in population from 259,179 in FY00 to 307,832 in FY10, an increase of 18.8 percent in this eleven-year time span, or an annual average increase of 1.8 percent per year. In the eleven-year period, the County's resources have kept pace with the increased demand for services from a rising population.

According to the 2000 United States Census, Henrico and Chesterfield were in competition for the largest population within the Central Virginia region with Henrico having a slightly higher total. According to the most recent 2010 United States Census, Chesterfield County grew at a faster pace over the past decade, as they now have a higher population than Henrico.

The population number for FY01 represents actual Census Data. All other years have been obtained from the Henrico County Department of Planning (see website: www.co.henrico.va.us).

Henrico continues to prepare for expanded and enhanced services to serve an increasing population as evidenced by construction of new facilities for education and recreation, as well as additional roads, fire stations and libraries, and by continuing to maximize the use of technology to enhance productivity and thereby minimize requirements for additional personnel.

WARNING TREND: Decline in the level, or growth rate, of personal income per capita.

Indicator:

Per Capita Income

Source: Bureau of Economic Analysis

Per Capita Income:

Per capita income is one measure of a community's wealth. Credit rating agencies use per capita income as an important measure of a local government's ability to repay debt.

A decline in per capita income causes a drop in consumer purchasing power and can provide advance notice that businesses, especially in the retail sector, will suffer a decline that can ripple through the rest of the local economy. Changes in per capita income are especially important for communities that have little commercial or industrial tax base, because personal income is the primary source from which taxes can be paid.

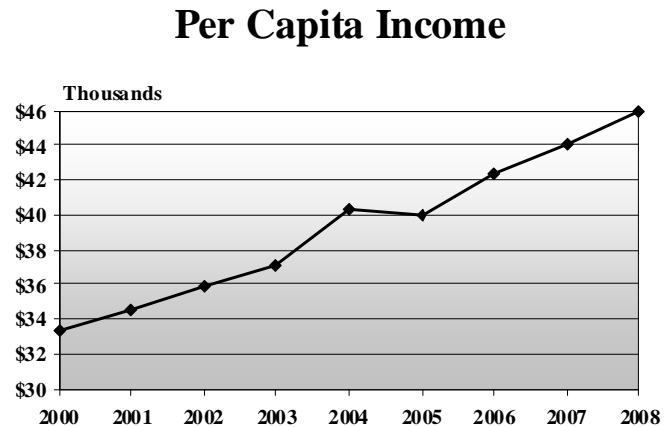
Trends:

In the nine years depicted above, per capita income has increased by 37.9 percent from \$33,286 in 2000 to the \$45,911 reported for 2008. It should be noted that this indicator factors in increases to the County's population, which increased 16.7 percent between 2000 and 2008.

The per capita income statistics depicted above come from the United States Bureau of Economic Analysis. That source is based on income tax returns and therefore data is only available through the 2008 tax year.

Since the recessionary period of the early 1990's, this indicator has consistently increased with the exception of 2005, where this indicator remained somewhat constant from 2004. In calendar years 2000 through 2002, there was a steady increase in the per capita income average growth rate, ranging from a low of 3.6 percent in 2000 to a high of 4.0 percent increase in 2002. In calendar year 2003, the growth rate decreased slightly to 3.1 percent. The 2004 data reveals that per capita income in Henrico County reached its highest growth rate in the nine-year period at 8.6 percent, which represents a dramatic increase from the previous calendar year. In 2005, however, this indicator leveled off and actually decreased by 0.5 percent from the previous year. In calendar year 2006, the increase was a healthy 6.0 percent, followed by an increase of 3.8 percent in 2007. Another healthy increase followed in 2008 at 4.2 percent, in spite of the recessionary economic environment present the entire year.

It should be noted that while the County's population has increased by an annual average of 1.8 percent in the past eleven years, taxpayer returns from County residents reflect an average annual increase of 4.1 percent in the *nine* years reflected on the graph above.



WARNING TREND: Increasing number of public assistance recipients.

Formula:

$$\frac{\text{Public Assistance Recipients}}{\text{Total Population}}$$

Public Assistance Recipients:

This trend is closely associated with a decline in personal income. The indicator measures the number of public assistance recipients against the number of residential households in the County. An increase in the number of public assistance recipients can signal a future increase in the level and unit cost of services because of the relatively higher needs of low-income residents combined with their relative lack of personal wealth.

Trends:

The eleven-year trend for this indicator has experienced a low of 6.0 percent in FY01 and a high of 14.7 percent in FY10, the most recent fiscal year. In looking at the past ten years in particular, this indicator has increased dramatically from 6.0 percent in FY01 to 14.7 percent in FY10.

The number of public assistance recipients has been determined by obtaining the number of people per year in the County receiving at least one of the following three types of benefits: Aid to Families of Dependent Children (AFDC), Food Stamps, or Medicaid. On a national level, some of the corollary factors that could impact this ratio are limited availability of affordable housing and health care coverage, as well as, limited funds for public transportation.

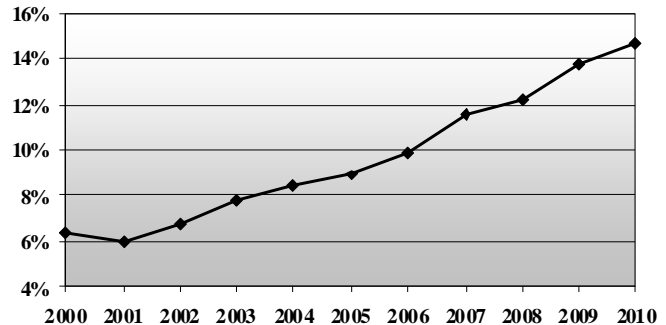
In FY00 and FY01, this indicator reflected a downward trend before rising again in FY02. The reasons for the decline during this time period reflect both State policy changes and outside economic conditions. First, policy changes were found in Virginia's welfare reform program. The welfare reform program, Virginia Initiative for Employment not Welfare (VIEW), was designed to help recipients become self-sufficient and independent of public assistance by capping the length of time an individual may remain on public assistance. Augmented by other services, such as the Child Day Care Program, it has allowed more residents to enter the workforce. Second, the overall conditions of the economy during this time period coupled with low unemployment levels propelled many residents off of public assistance.

The Medicaid population has increased dramatically over the past ten years, which has driven the increase in the number of public assistance recipients. There are currently more than fifty different categories that qualify for Medicaid coverage. Henrico has an aging population that requires long-term nursing home care, which is very expensive for each recipient. The number of mental health patients has increased as well as the number of foster care children, which have also added to the Medicaid population. In addition, policy changes related to income increase every year, which impacts this indicator as well.

The recessionary economic environment, and the subsequent loss of jobs and personal income, has created more demand for public assistance. In fact, in Henrico County from July 2007 through October 2010, the Supplemental Nutrition Assistance Program (also recognized as the food stamp program) caseload has increased 112 percent, the Temporary Assistance for Needy Families (TANF) caseload has increased by 38 percent, Unemployed Parent (UP) caseload tripled from 42 cases to 126 cases, and the number of individuals receiving Medicaid increased by 36 percent (Source: Henrico County Department of Social Services). These are alarming trends for Henrico County, and clearly a warning trend continues for this indicator.

Public Assistance Recipients

(as a % of Total Population)



WARNING TREND: Declining or negative growth in market value of residential, commercial or agricultural property (constant dollars).

Formula:

Real Property Values (Constant Dollars)

Real Property Values:

Changes in real property values are important because most local governments depend on property taxes for a substantial portion of their revenues, and Henrico County is no exception. If a locality has a stable tax rate, the higher the aggregate property value, the higher the revenues generated. Localities experiencing rapid population and economic growth are also likely to experience growth in property values in the short-run. This is because in the short-run, the supply of housing is fixed and the increase in demand due to growth will force prices up.

The extent to which declining real property values affect a locality's revenues will depend on the locality's reliance on property tax revenue. The extent to which the decline will ripple through the local economy and affect other revenues is difficult to determine. However, all of the economic and demographic factors are closely related. Most probably, a decline in property values will not be a cause, but rather a symptom of other underlying problems.

Trends:

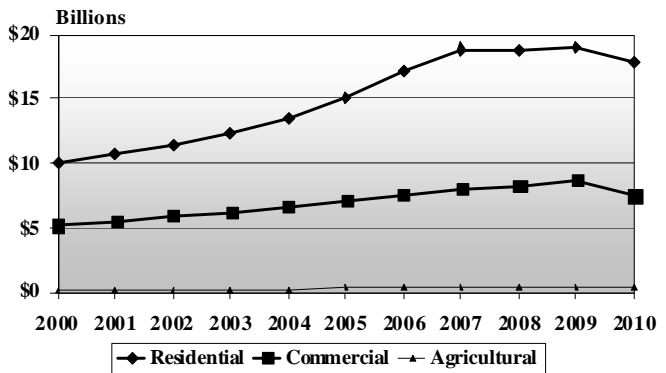
The above graph illustrates real property values in *constant* dollars for residential, commercial, and agricultural properties. As such, any increases in this indicator are reported after negating the “effect” of inflation. The increases in valuation reflected above have been mitigated by a reduction in the Real Estate Tax Rate in this period of time. Specifically, since CY00, the Real Estate Tax Rate has been reduced from \$0.94/\$100 to the current level of \$0.87/\$100 of assessed valuation. In looking at the historical Real Estate Tax rates for the County of Henrico, two facts are clearly evident. First, *stability* is clearly evident as the Real Estate Tax Rate was maintained at \$0.98/\$100 of assessed valuation for a period of *sixteen* consecutive years (CY80-CY95). The second trend that is evident is that since CY98, as property valuations have increased, the Board of Supervisors has mitigated these increases with prudent Real Estate Tax rate reductions that have been made without impacting the County's ability to meet debt obligations, capital infrastructure needs, and County operations, while also offering tax relief to County residents. This is a very difficult balancing act, but one that has been achieved because of the consistency of Board actions in establishing the Real Estate Tax rate on an annual basis.

In FY08, residential property values (in constant dollars) showed a slight decrease from the prior fiscal year, the first such decrease in this indicator since 1981. The reasons for this decrease are twofold. First, the struggle in the residential real estate market hindered property value increases, as evidenced by residential reassessment values only increasing 2.6 percent in January 2008, the lowest year-over-year increase since 1995. Second, the property values noted in the graph are inflation adjusted (constant dollars), and in FY08 the consumer price index (CPI), commonly referred to when measuring inflation, yielded a 5.0 percent increase over the prior year. It is important to note that unadjusted real property values actually increased nearly \$1.1 billion or 4.7 percent in FY08 from the prior fiscal year.

In FY09, residential property values (in constant dollars) reflect a slight increase after the decline in FY08. The reasons for this increase are solely attributed to the deflationary environment in FY09, as the CPI posted a 1.4 percent decline from the inflated levels experienced in FY08. The market value of residential real estate actually

Real Property Values

(In Constant Dollars)



slightly declined in FY09 by 0.3 percent. However, because of the decline in the CPI, the indicator reflects positive growth in real property values (in constant dollars).

FY10 experienced unprecedented declines in real estate valuations, as constant dollar residential property values declined 6.4 percent and constant dollar commercial property values declined 13.9 percent. Residential foreclosures and increasing office space vacancies significantly impacted the local real estate market in FY10. Problems continue in the local real estate market, as real estate valuations have declined 1.1 percent in total from January 2010 to January 2011. Residential foreclosures and vacant office space remain at historically high levels. Until the County can bring back a substantial portion of the more than 8,500 jobs lost in this most recent recessionary economic environment, residential foreclosures will likely remain at high levels and commercial real estate, notably office space, will remain vacant. As such, a warning trend is noted for the immediate future.

WARNING TREND: Increasing market value of residential development as a percentage of market value of total development.

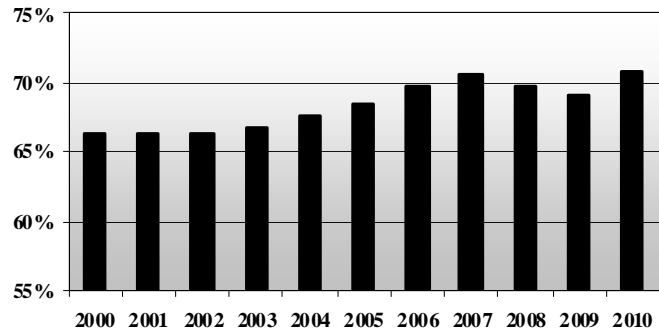
Formula:

$$\frac{\text{Market Value of Residential Development}}{\text{Market Value of Total Development}}$$

Residential Development:

The net cost of servicing residential development is generally higher than the net cost of servicing commercial or industrial development. This is because residential development usually creates more expenditure demands (generally in the area of Education) than revenue receipts. The ideal condition would be to have sufficient commercial or industrial development to offset the costs of the residential development.

Residential Development
(as a % of Total Property)



The location of new residential development is also important. Houses built on the outer fringe of a community can impose a far greater initial cost to local government than houses built within developed areas. This is because the locality must provide capital items such as streets, sewer lines, water mains, education facilities, and fire stations to service the new development. The extent to which new residential development affects the financial condition of a particular community will depend on the community's economy, tax structure, and expenditure profile.

Trends:

Residential development as a percentage of total property market value in Henrico County has ranged from a low of 66.3 percent in 2002, to a high of 70.8 percent in the most recent fiscal year, 2010. The indicator shown above for 2000 and 2001 was 66.4 percent. In 2003 and 2004, this indicator increased slightly to a level of 66.7 percent and 67.5 percent, respectively. This indicator continued to rise in 2005 with 68.4 percent, 2006 with 69.7 percent, and in 2007 with a high of 70.6 percent. In 2008, the indicator again fell below the benchmark of 70.0 percent to 69.8 percent and in 2009 dropped again to 69.1 percent. In 2010, the indicator rose to 70.8 percent.

Market value is slightly different from assessed value in that market value includes the value of land use properties that would be deducted when assessing the property for tax purposes. The County is required to report market value to the State. The indicator above does not reflect inflation-adjusted values.

In 2000 and 2001, commercial property market values (including multi-family) outpaced the growth of residential property values. In those two years, commercial value increases of 8.4 and 10.6 percent outpaced the growth of residential values, which depicted increases of 7.1 and 10.4 percent. From 2003 to 2007, increases in residential market values outpaced increases in the commercial segment of the market. As noted within the “Real Property Value” indicator, both the residential and commercial components of the Real Estate Tax base increased at rates that exceeded the rate of inflation. In this time period, the low interest rate environment spurred significant growth in residential real estate. Also, banks were lending funds to nearly any inquiring consumer, without regard to the borrower’s ability to repay the loan. However, the factors that allowed the residential real estate market to thrive in this time span has been the driving factor behind the current struggles of the real estate market and the near collapse of the entire national financial sector. In 2008, increases in commercial values remained relatively strong but residential values began to show signs of slowing down, as reassessments increased only 2.6 percent in 2008. In total, residential market value increased 4.7 percent due to new construction, while total commercial market value increased 9.0 percent. As a result, the Residential Development indicator fell to 69.8 percent in 2008.

In 2009, the Residential Development indicator fell again, to 69.1 percent. As noted in the Real Property Value indicator narrative, residential real estate valuation actually declined by 0.3 percent in 2009, while commercial valuation increased over 3.1 percent. In 2010, because of sharp increases in vacant commercial real estate across the County, commercial valuations declined 13.0 percent as compared to a decline of 5.0 percent in residential real estate valuations. This large differential carried the Residential Development indicator to nearly 71.0 percent.

Commercial and residential real estate markets continue to struggle in 2011, as residential real estate valuations have declined by 0.9 percent, driven by continued high levels of residential foreclosures, and commercial real estate valuations have declined by 1.6 percent, mostly a result of continued high vacancy rates in office space. Because the decline in commercial real estate is nearly double that of residential real estate, the Residential Development indicator will again increase in 2011. While the continued declines in both commercial and residential real estate markets can be attributed to a number of factors, recovery in the market is closely correlated to the creation of new jobs in the County. Newly created jobs in the County would fill vacant office space, and would provide families with the household income needed to make timely mortgage payments. Until the County replenishes the numerous jobs lost since January 2008, a warning trend must be noted.

WARNING TREND: Increasing rate of local unemployment or a decline in number of jobs provided within the community.

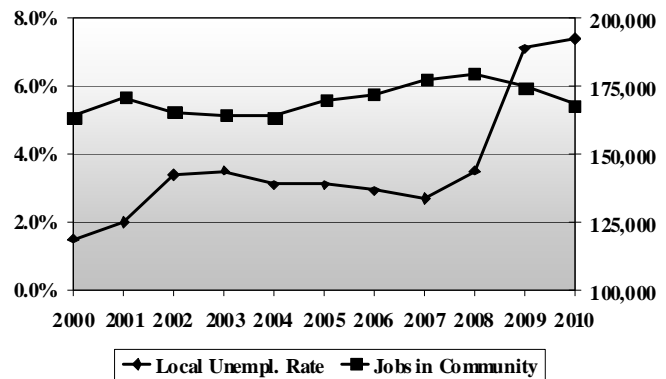
Indicators:

Local Unemployment Rate and Number of Jobs within the Community

Employment Base:

Employment base considers both the unemployment rate and the number of jobs because they are closely related. This indicator is significant because it is directly related to the levels of business activity and personal income. Changes in the number of jobs provided by the community are a measure of and an influence on business activity. Changes in the rate of employment of the community's residents is related to fluctuations in personal income and, thus, is a measure of and an influence on the community's ability to support its local business sector.

Employment Base



If the employment base is growing, if its diversity provides a cushion against short-run economic fluctuations or a downturn in one sector, and if the employment base provides sufficient income to support the local business community, then it will have a positive influence on the locality's financial condition. A decline in employment base as measured by jobs or lack of employment can be an early warning sign of declining economic activity and thus, governmental revenues. The data source for this information is the Virginia Employment Commission.

Trends:

I. Unemployment:

Henrico County's unemployment rate, in the eleven-year period above, reflects a high of 7.4 percent in 2010, and lows at or below the 2.0 percent level for 2000 and 2001. In 2000 and 2001, local economic conditions continued to improve, which resulted in lower unemployment rates. The 2002 unemployment rate depicts an increase to 3.4 percent and 2003 showed a leveling off of the local unemployment rate at 3.5 percent. The 2002 and 2003 increases were indicative of the recessionary period at the time. In 2004 and 2005, the unemployment rate remained constant at 3.1 percent. The 2006 unemployment rate of 2.9 percent as well as the 2007 unemployment rate of 2.7 percent illustrates the improvement in economic conditions at the time from the prior recessionary period. With the recession that began in December 2007, unemployment climbed sharply to 3.5 percent in 2008. As evidenced in the graph above, the difficult economic environment forced a number of businesses to close its doors or re-evaluate their staffing needs in 2009, as the unemployment rate more than doubled from 2008 to 7.1 percent. In 2010, the unemployment rate rose again to 7.4 percent. This indicator is highly indicative of changes in the economy and thus, is a solid representation of the condition of the local economy. As of December 2010, the unemployment rate has improved significantly to 6.5 percent, although this remains exceptionally high as compared to just three years ago. While the local economy is beginning to add new jobs, it will take a number of years for the County to make up for the 8,500 jobs it lost since December 2007. As such, a warning trend continues to be noted for this indicator.

II. Number of Jobs:

From 2000 through 2010, the number of jobs in Henrico increased from 163,704 to 168,142, an increase of 2.7 percent. In 2002, 2003, and 2004, the number of jobs reflected a decrease from the 170,793 level reported for 2001. The decrease can be attributed to the recession that encompassed 2002 and 2003. This recession led to a number of corporate layoffs in the Richmond Metropolitan Area. The recession also impacted the State of

Virginia's budget and there were a number of State governmental jobs in this time period that were eliminated, downsized or privatized. In 2007, this indicator was impacted in a positive manner due to several large corporate entries into the Richmond Metropolitan Area as well as a number of new businesses that opened in Henrico. In 2008, the number of jobs again increased.

As was the case in the last recessionary economic environment, 2009 and 2010 both reflected net declines in the number of jobs in Henrico County. However, in the recession of 2002 and 2003, most of the jobs lost were due to corporate layoffs as a means to improve the company's bottom line. As the economy improved in the years that followed, these corporations began to hire once again, as evidenced by the annual job increases and declining unemployment rate from 2004 through 2008. Much different than the prior recession, in the most recent economic environment, the Metropolitan Richmond Area, notably Henrico County, lost a number of large, high-profile companies altogether, including two Fortune 1000 companies, Circuit City Stores and LandAmerica Financial, as well as the largest individual taxpayer in the County, Qimonda North America. In 2008, Circuit City Stores and Qimonda were the sixth and seventh largest employers in the County, respectively. With these companies no longer in existence, recovery will be much more difficult than after the recession of 2002 and 2003, as Circuit City, Qimonda, and LandAmerica Financial, as well as a number of other local businesses that have been forced to close their doors, cannot simply increase hiring when the economy shows signs of recovery. Because of the workforce size of the companies that the County has lost, to achieve substantial job growth in the County going forward will require the attraction of other large corporate entities. The recession claimed more than 14,000 jobs in the Metropolitan Richmond Area, with nearly two thirds of those in Henrico County.

A number of economic development announcements have been made recently, many of which will bring new jobs into the County. However, as noted above, it will take many years to make up for the 8,500 jobs Henrico lost in the most recent economic recession. As such, a warning trend continues to be noted for this indicator.

WARNING TREND: Decline in business activity as measured by retail sales and gross business receipts.

Indicators:

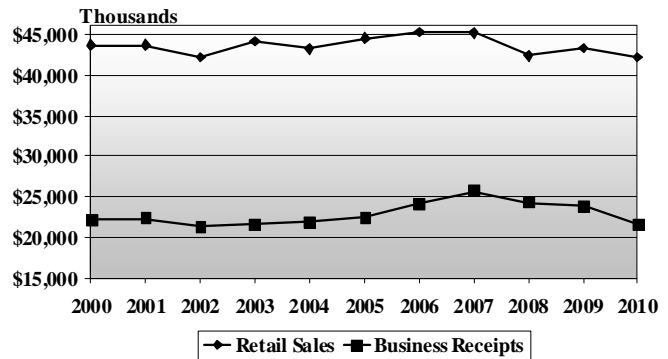
Local Retail Sales Tax and Business and Professional License (BPOL) Tax Receipts

Local Sales Tax and Business and Professional License Tax (BPOL) Receipts:

The level of business activity affects a locality's financial condition in two ways. First, it directly affects revenue yields as sales taxes and gross receipts taxes are products of business activity. Second, the effect of these indicators may be indirect to the extent that a change in business activity affects other demographic and economic areas such as employment base, personal income or property values. Changes in business activity also tend to be cumulative.

A decline in business activity will tend to have a negative impact on employment base, personal income and/or commercial property values. This in turn can cause a decline in local revenues generated by businesses.

Local Retail Sales and Business Receipts
(In Constant Dollars)



Trends:

I. Local Retail Sales Tax Receipts:

The above graph indicates that local sales tax receipts, in constant dollars, reflect a reduction from \$43.6 million in FY00 to \$42.1 million in FY10. The elasticity of this revenue stream is evidenced by the declines in FY02 and FY08, both of which represent the beginning of a recessionary economic environment. Prior to that, the more recent upward trends were marked by a healthy local and national economy as seen during much of the 1990's and economic recovery period between 2004 and 2007.

With the retraction in FY02, sales tax receipts decreased. However, a surprising thing occurred in FY02. In spite of the decline in total sales tax receipts, Henrico County's retail sales as a percentage of total sales in the Richmond Metropolitan Area (including the City of Richmond and Chesterfield County) actually *increased* from the FY01 level of 45.98 percent to 48.91 percent. This occurred because Henrico's diversified retailers offered more of a choice to the region's shoppers during this recession. In FY03, local sales tax receipts rebounded from the previous year, increasing by 4.8 percent representing the largest constant dollar increase since FY00. In FY04, inflation adjusted sales declined from \$41.8 million to \$40.8 million, decreasing by 2.4 percent from the previous fiscal year. This decline was driven by an increase in the inflation factor, which overshadowed the increase in local sales tax receipts. FY05 inflation adjusted sales of \$42.1 million and the FY06 inflation adjusted sales of \$42.8 million reflects increases of 3.2 percent and 1.7 percent, respectively. In FY07, inflation adjusted sales declined slightly from \$42.8 to \$42.6 million.

In FY08, inflation adjusted sales declined from \$42.6 million to \$40.0 million, a decrease of 6.0 percent from the prior fiscal year. This year-over-year decrease is by far the highest recorded in this eleven-year time period. The reasons for this decrease are twofold. First, as mentioned above, local sales tax collections are highly elastic and the recessionary economic environment present through much of FY08 hindered growth in this revenue source. It should be noted that real unadjusted local sales tax revenue declined 1.3 percent in FY08 from prior fiscal year collections. Second, like the Real Property Value indicator, the values noted in the graph are inflation adjusted (constant dollars), and in FY08 the consumer price index was measured at 5.0 percent, the largest such increase since 1989.

While the inflation factor negatively impacted inflation adjusted local sales tax collections in FY08, the reverse happened in FY09. With the CPI actually *declining* in FY09, reflecting a period of deflation, inflation-adjusted

sales tax collections posted a 2.1 percent growth. However, actual sales tax collections only increased by 0.7 percent in FY09. That being said, the fact that actual local sales tax collections grew in FY09, when all other elastic revenues were negatively impacted, should be considered a positive. The reason for this increase in FY09 is twofold. First, tax increment financing associated with Short Pump Town Center, the most successful shopping center in the Metropolitan Richmond Area since it opened its doors in 2003 and located in Henrico County, received its final debt payment from the County. As such, all County revenues associated with this development, including local sales tax collections and BPOL receipts that previously were used to pay off debt, began depositing into County coffers in FY09. The second reason for the upswing in local sales tax collections in FY09 is the implementation of the “Henrico, VA” initiative, in which the majority of “Richmond, VA” addresses were changed to “Henrico, VA.” This initiative was pursued because of revenue miscoding that misdirected millions of dollars in annual County revenue, including local sales tax collections and BPOL receipts, to the City of Richmond. Without the significant impact of Short Pump Town Center and the “Henrico, VA” initiative, the graph on the prior page would have shown a much less drastic increase, or perhaps even a decrease, in inflation adjusted retail sales in FY09.

With the economic struggles continuing into FY10, inflation-adjusted sales tax collections declined 2.6 percent to \$42.1 million. However, like the recessionary economic environment in FY02, Henrico County’s retail sales as a percentage of the total Richmond Metropolitan Area increased. In fact, in each year of the most recent recession, FY08 through FY11 (as of this writing), Henrico has increased its share of the total region’s retail sales. Clearly, this can be attributed to the “Henrico, VA” initiative and the diversity of Henrico’s retailers. As of this writing, sales tax collections are up a healthy 5.4 percent in FY11. Though it will likely take a number of years to achieve retail sales levels seen just a few years ago, there are clear signs that the local economy is again growing, albeit at a slow pace. As such, the near term warning trend noted in this document last year has been lifted and no long-term warning trend is noted.

II. Local Business and Professional License (BPOL) Tax Receipts:

The graph for the eleven-year period shown on the preceding page indicates that from FY00 to FY07, local business license tax receipts, in constant dollars, were maintained at a level that kept up with inflationary changes. This is important because of the fact that between FY99 and FY00, the Henrico County Board of Supervisors phased in a tax reduction strategy (implemented in 1996), which reduced BPOL tax rates as a means of encouraging more businesses to locate in the County. The mostly positive trend in business and professional license tax receipts since this strategy was implemented strongly suggests that the tax reduction strategy paid off.

The FY02, FY03, and FY04 totals reflect a decrease when compared to the FY01 totals, however a decrease was anticipated as the local economy was in recession. FY05, FY06, and FY07 totals rebounded strongly from the recessionary period, with constant dollar gains of 3.5 percent, 7.3 percent, and 6.3 percent, respectively.

Like local sales tax revenues, FY08 BPOL tax receipts (constant dollars) fell sharply due to the struggling economy and unusually high inflation. While this indicator reflects a significant decrease, real unadjusted BPOL tax revenue only reflected a slight decrease of 1.0 percent. It should be noted that in FY02, the beginning of the last economic recession, BPOL tax receipts declined 2.4 percent from the prior fiscal year, more than twice as high as in FY08. However, the recession present in FY02 was short lived, whereas the most recent recession lasted eighteen months (December 2007 through June 2009), the longest since the Great Depression, and the lingering effects of this most recent recession continue eighteen months after it officially ended. In FY09, inflation adjusted BPOL tax receipts declined by 1.9 percent and real unadjusted BPOL tax revenue declined by 3.2 percent. In FY10 inflation adjusted BPOL tax receipts declined by 9.5 percent, easily the largest decline in the eleven-year period examined, and real unadjusted BPOL tax revenue declined by 8.5 percent. A number of businesses in the County fell victim to the recessionary economic environment and were forced to close their doors. However, a number of recent economic development announcements have been made that will have a positive impact on every local revenue stream, including BPOL receipts. As new businesses enter the County and join the existing diversified business community, BPOL tax receipts will again show strong growth. Like sales tax collections, the near term warning trend noted in last year’s Trends document has been lifted and no long-term warning trend is noted as well.

WARNING TREND: Decline in business activity as measured by commercial acres developed and market valuation of business property.

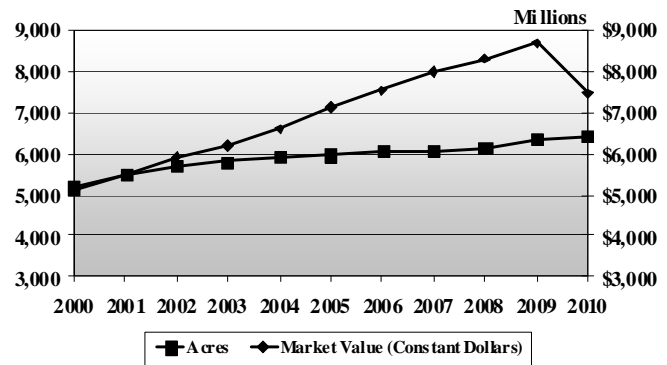
Indicators:

*Number of Commercial Property Acres and
Market Value of Business Property*

**Business Activity – Commercial Acres and
Market Value of Business Property:**

The level of business activity affects a locality's financial condition in two ways. First, it directly affects revenue yields to the extent that the number of business acres and value of business property may be considered products of business activity. Second, the effect of these indicators may be indirect to the extent that a change in business activity affects other demographic and economic areas such as employment base, personal income or property values. Changes in business activity also tend to be cumulative. A decline in business activity will tend to have a negative impact on employment base, personal income or property value. This in turn, can cause a decline in local revenues generated by businesses.

**Commercial Acres and Market Value of
Business Property**



Trends:

I. Business Acres:

As shown in the graph above, business acreage has steadily increased from 5,175 in 2000 to 6,393 in 2010. Business acreage is defined as “*developed* commercial property for office and retail use.” The data reveals that in the ten years since 2000, the average annual increase in the number of business acres developed has been 121.8. There were three years in which business acreage development exceeded the eleven-year annual average.

In FY01, 304 acres were developed and in FY02, the total acreage developed was 205 acres. In FY09, the total acreage developed was 253 acres, the second largest annual increase in the eleven years examined, in spite of the slowing economy. A number of large commercial developments were completed in FY09, including 142 acres associated with a new shopping center, White Oak Village, and a number of businesses surrounding the mall. A number of new hotels were constructed in FY09 as well. In the most recent fiscal year, FY10, only 22 total acres were developed, easily the lowest in the eleven years examined. The depth and length of the economic downturn impacted all real estate in FY10, particularly commercial real estate, and commercial construction was virtually nonexistent as a number of existing properties remained vacant, particularly office space.

Commercial development and concentration is a key component to maintaining a low Real Estate Tax rate and ensuring that Henrico continues to increase the number of jobs in the community. The commercial component of the Real Estate Tax base is able to subsidize the costs incurred by residential development – particularly in the area of Education. The total increase of business acreage in this eleven-year period is 23.5 percent.

II. Market Value of Business Property:

The eleven-year trend for this indicator, *in constant dollars*, has ranged from \$5.1 billion in CY00 to \$8.6 billion in CY09, before falling to \$7.4 billion in CY10. The value of commercial properties is prone to devaluation when the supply of those properties is greater than the demand. Commercial valuations increased every year from FY00 to FY09. This is in spite of the recessionary period of CY02 and CY03 and the economic downturn in CY08 and CY09. However, entering the third year of the most recent recessionary economic environment, the supply of vacant office and retail space increased significantly due to a number of businesses closing their doors.

The result was an overall reduction in the commercial tax base of more than 13.0 percent.

Commercial real estate valuations have declined approximately 1.6 percent from January 2010 to January 2011,

as the local supply of vacant commercial properties remains abundant. Since January 2008, Henrico County lost nearly 8,500 jobs locally and experienced an increase in its unemployment rate from 3.3 percent in January 2008 to a high of 7.5 percent in February 2010. While there have been a number of recent positive economic development announcements, many of which are adding jobs in Henrico County and absorbing office vacancies, it will take many years to replace the large number of jobs lost in the past three years. Looking into the future, commercial real estate will continue to struggle until these jobs are replenished, as newly created jobs would fill vacant office space and would have a positive impact on commercial real estate valuations. Also potentially impacting commercial real estate values in the future is that a number of loans may become due for refinancing, and some commercial property owners in the County may have troubles securing financing. Because of these issues, a commercial real estate market recovery is likely a number of years away. As such, a warning trend must be noted.

GENERAL FINANCIAL AND ECONOMIC DATA

Item	Description	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1.3	Cash & Short Term Investments	131,589	158,160	171,895	187,865	209,971	234,085	242,879	268,646	298,304	320,117	314,414
1.4	Accounts Payable	32,165	37,329	41,502	47,298	49,607	54,607	46,617	51,420	49,407	53,262	48,284
1.7	Principle due in 12 months	18,382	20,317	22,142	23,351	23,132	27,038	29,870	33,224	30,749	74,560	32,810
1.8	Other Current Liabilities	4,078	4,334	4,730	4,939	4,700	6,354	5,875	5,771	7,021	10,025	11,557
1.9	Total Current Liabilities	54,625	61,980	68,373	75,587	77,439	87,999	82,362	90,414	87,177	137,847	92,651
1.10	Net Direct Long Term Debt	264,534	283,262	287,105	314,423	329,992	306,861	357,638	399,683	396,269	503,505	460,535
1.12	Cost Depreciable Fixed Assets	714,837	739,416	774,354	831,112	880,456	922,326	957,377	982,096	1,015,665	1,051,575	1,080,905
1.13	Depreciation Expense	17,041	17,587	15,744	15,186	16,028	19,995	25,879	28,019	27,596	28,928	30,566
1.14	General Fund Operating Surplus	30,572	37,266	24,733	21,720	25,957	47,396	71,814	88,709	67,853	48,547	10,327
1.15	Enterprise Operating Results	11,410	12,195	19,808	11,400	9,939	5,472	10,386	4,954	5,120	(863)	(721)
1.16	General Fund Balances	89,879	112,553	118,781	126,950	140,670	161,517	199,079	207,453	239,708	252,549	246,603
1.17	General Fund Restricted Balances	31,928	36,860	31,691	31,298	36,718	53,132	85,442	84,029	107,615	113,094	109,831
1.18	General Fund Unrestricted Balances	57,951	75,693	87,090	95,652	103,952	108,385	113,637	123,424	132,093	139,455	136,771
1.19	Uncollected Property Taxes	6,670	4,417	1,539	1,553	1,678	2,037	1,638	1,901	2,035	2,700	3,604
1.20	Full Property Tax Levy	230,461	244,518	256,109	265,314	287,938	324,712	339,091	352,305	369,930	380,661	365,522
2.1	Property Tax Revenues	211,261	217,145	226,258	240,665	259,061	284,218	313,845	342,937	368,044	374,884	367,444
2.2	Committed User Charges	22,025	24,104	23,179	24,135	23,907	26,143	28,316	29,127	28,850	29,884	30,409
2.3	Uncommitted User Charges	7,345	7,890	8,457	8,961	9,646	9,744	9,988	6,745	2,845	2,846	3,261
2.4	Other Revenue greater than 5%	95,457	102,029	101,468	109,465	116,443	118,320	125,617	125,927	122,796	125,309	119,791
2.5	Other Revenue less than 5%	21,402	27,749	19,064	17,806	20,081	22,479	23,470	33,800	37,612	28,837	22,822
2.6	Total Local Operating Revenue	357,491	378,916	378,427	401,031	429,137	460,904	501,236	538,535	560,147	561,760	543,727
2.7	Intergovernmental Operating Revenue	221,949	248,047	259,993	270,034	300,535	325,935	350,394	389,249	416,686	435,925	416,038
2.7	Intergovernmental Operating Revenue (without PPTRA reimbursements)											
2.7	Intergovernmental Operating Revenue (without PPTRA reimbursements)	206,338	222,944	226,102	236,387	266,444	292,612	308,263	352,028	379,686	398,923	379,036
2.10	Gross Operating Revenues	579,440	626,964	638,420	671,066	729,672	786,839	851,629	927,785	976,833	997,685	959,765
2.13	Net Operating Revenues	579,440	626,964	638,420	671,066	729,672	786,839	851,629	927,785	976,833	997,685	959,765
2.14	Restricted Operating Revenues	176,207	186,473	191,910	204,837	231,539	262,136	280,148	317,359	328,348	354,849	342,338
2.15	Elastic Operating Revenue	68,570	71,451	69,017	73,331	74,509	79,200	85,208	89,286	87,579	86,099	84,217
2.17	Net Operating Revenue Budgeted	562,084	607,124	623,409	657,000	681,735	762,685	806,056	880,557	920,221	986,094	957,860
3.1	Salaries and Wages	302,193	316,750	332,167	346,539	363,879	393,160	413,031	440,213	464,016	487,694	480,659
3.2	Fringe Benefits	78,228	82,348	83,945	90,538	97,282	108,505	117,379	137,938	149,220	161,362	157,582
3.3	Supplies	25,016	32,612	27,282	27,386	28,252	31,976	34,433	36,858	40,764	43,737	41,682
3.4	Services	58,188	64,681	88,036	78,659	94,074	93,720	88,068	109,413	117,670	107,968	120,657
3.5	Capital Outlay	18,828	21,553	22,031	25,398	23,678	25,788	28,075	25,447	28,322	27,403	31,049
3.6	Principal-Long term Debt	17,397	18,382	19,987	21,792	22,986	22,747	26,633	29,450	32,779	30,284	34,880
3.7	Interest-Long term Debt	12,732	12,487	13,047	14,439	13,961	14,466	15,598	18,588	18,900	22,339	21,191
3.8	Total Direct Debt	30,128	30,869	33,034	36,231	36,947	37,213	42,230	48,038	51,679	52,623	56,071
3.9	Other Expenditures	17,465	26,268	29,369	34,656	46,093	44,101	54,842	36,926	52,400	50,416	52,285
3.10	Internal Service Fund Transfers	5,990	6,316	6,852	7,441	7,930	8,173	20,083	24,113	23,917	22,764	25,058
3.11	Total Net Operating Expenditures	536,036	581,398	603,150	646,848	698,136	742,636	798,141	858,946	927,990	953,967	965,044
3.12	Number of General Government Employees	3,358	3,416	3,517	3,561	3,640	3,694	3,774	3,895	3,953	4,000	3,915
3.13	Unused Annual Leave (in days)	77,361	78,519	80,217	82,182	84,862	85,661	86,980	87,502	96,971	98,411	101,636
3.14	Unused Sick Leave (in days)	247,074	248,178	251,411	255,593	257,590	261,646	267,779	272,360	270,336	280,842	284,267
3.15	Expenditures Covered by Charges	37,233	39,728	45,846	43,674	47,267	49,296	54,040	58,176	60,157	61,944	60,144
7.1	Population (Calendar Year)	259,179	267,024	271,440	274,847	281,069	288,735	293,382	299,443	302,518	305,580	307,832
7.3	Total Personal Income (Thous. of \$)	8,761,633	9,184,465	9,622,920	10,065,647	11,106,399	11,234,015	12,125,029	12,758,972	13,437,921	N/A	N/A
	Per Capita Income	33,286	34,534	35,928	37,059	40,246	40,036	42,459	44,079	45,911	N/A	N/A

GENERAL FINANCIAL AND ECONOMIC DATA

Item	Description	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
7.4	Public Assistance Recipients	16,645	16,028	18,182	21,369	23,628	25,591	28,656	34,469	36,799	41,809	45,255
7.6	Market Value of Property (Mil. of \$)	15,276	16,857	18,340	19,801	22,303	25,335	29,282	32,788	34,740	34,976	32,239
7.8	Market Value-Residential (Mil. of \$)	9,987	11,030	11,986	13,035	14,821	17,047	20,093	22,770	23,847	23,772	22,497
7.9	Market Value-Commercial (Mil. of \$)	5,126	5,671	6,173	6,590	7,254	8,012	8,863	9,627	10,493	10,821	9,413
7.10	Market Value-Agricultural (Mil. of \$)	164	157	180	177	229	277	325	391	400	382	329
7.11	Residential Households (Calendar Year)	111,982	113,041	114,884	116,345	119,107	121,505	123,457	125,972	127,046	128,529	129,781
7.12	Vacancy Rates-Residential (Calendar Year)	1.8%	1.4%	1.4%	1.4%	1.4%	1.5%	1.5%	1.6%	1.6%	1.6%	1.6%
7.15	Local Unemployment Rate	1.5%	2.0%	3.4%	3.5%	3.1%	3.1%	2.9%	2.7%	3.5%	7.1%	7.4%
7.16	Jobs Within Community	163,704	170,793	165,203	164,398	163,525	170,183	172,216	177,744	179,426	174,758	168,142
7.17	Retail Sales (Thous. of \$)	43,602	45,093	43,992	47,096	47,446	50,212	53,254	54,473	53,742	54,109	53,256
7.19	Annual Business Receipts (Thous. of \$)	22,253	23,093	22,315	23,013	24,042	25,510	28,551	31,174	30,848	29,849	27,313
7.20	Business Acres (Calendar Year)	5,175	5,479	5,684	5,800	5,897	5,954	6,032	6,062	6,118	6,371	6,393
7.21	CPI	172.4	178.0	179.9	183.7	189.7	194.5	202.9	208.4	218.8	215.7	218.0
7.22	CPI-Index	1.0000	1.0325	1.0435	1.0655	1.1003	1.1282	1.1769	1.2088	1.2691	1.2512	1.2645

FINANCIAL INDICATORS DISPLAYED GRAPHICALLY

Description	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues Per Capita	2,235.7	2,274.1	2,253.9	2,291.4	2,359.3	2,415.5	2,466.5	2,563.1	2,544.2	2,609.5	2,465.7
Expenditures Per Capita	2,068.2	2,108.8	2,129.4	2,208.7	2,257.3	2,279.8	2,311.5	2,373.0	2,417.0	2,495.1	2,479.2
(In Constant Dollars)											
Intergovernmental Revenues (without PPTRA)	35.6%	35.6%	35.4%	35.2%	36.5%	37.2%	36.2%	37.9%	38.9%	40.0%	39.5%
Intergovernmental Revenues (PPTRA only)	2.7%	4.0%	5.3%	5.0%	4.7%	4.2%	4.9%	4.0%	3.8%	3.7%	3.9%
Elastic Tax Revenues	11.8%	11.4%	10.8%	10.9%	10.2%	10.1%	10.0%	9.6%	9.0%	8.6%	8.8%
(as a % of Net Operating Revenue)											
Property Tax Revenues	211,261	210,313	216,826	225,861	235,435	251,924	266,667	283,696	289,994	299,629	290,584
(In Constant Dollars)											
Uncollected Property Tax Revenues	2.9%	1.8%	0.6%	0.6%	0.6%	0.6%	0.5%	0.5%	0.5%	0.7%	1.0%
(as a % of Total Levy)											
User Charge Coverage	59.2%	60.7%	50.6%	55.3%	50.6%	53.0%	52.4%	50.1%	48.0%	48.2%	50.6%
(Revenues/Expenditures)											
Revenue Shortfalls	-3.0%	-3.2%	-2.4%	-2.1%	-6.6%	-3.1%	-5.4%	-5.1%	-5.8%	-1.2%	-0.2%
(as a % of Net Operating Revenue)											
Employees Per Capita	13.0	12.8	13.0	13.0	13.0	12.8	12.9	13.0	13.1	13.1	12.7
(Employees per thousand population)											
Fringe Benefits	25.9%	26.0%	25.3%	26.1%	26.7%	27.6%	28.4%	31.3%	32.2%	33.1%	32.8%
(as a % of Salaries)											
Operating Surpluses	5.3%	5.9%	3.9%	3.2%	3.6%	6.0%	8.4%	9.6%	6.9%	4.9%	1.1%
(as a % of Net Operating Revenue)											
Enterprise Losses (In Constant Dollars)	11,410	11,811	18,982	10,699	9,032	4,850	8,825	4,098	4,034	(0,690)	(0,570)
General Fund Balances	10.0%	12.1%	13.6%	14.3%	14.2%	13.8%	13.3%	13.3%	13.5%	14.0%	14.3%
(as a % of Net Operating Revenue)											
Liquidity	240.9%	255.2%	251.4%	248.5%	271.1%	266.0%	294.9%	297.1%	342.2%	232.2%	339.4%
(Cash & Investments as a % of Current Liabilities)											
Current Liabilities	9.4%	9.9%	10.7%	11.3%	10.6%	11.2%	9.7%	9.7%	8.9%	13.8%	9.7%
(as a % of Net Operating Revenue)											
Long Term Debt	1.7%	1.7%	1.6%	1.6%	1.5%	1.2%	1.2%	1.2%	1.1%	1.4%	1.4%
(as a % of Assessed Valuation)											
Debt Service	5.2%	4.9%	5.2%	5.4%	5.1%	4.7%	5.0%	5.2%	5.3%	5.3%	5.8%
(as a % of Net Operating Revenue)											
Accumulated Employee Leave Liability	23.0	23.0	22.8	23.1	23.3	23.2	23.0	22.5	24.5	24.6	26.0
(in Days)											
Level of Capital Outlay	3.5%	3.7%	3.7%	3.9%	3.4%	3.5%	3.5%	3.0%	3.1%	2.9%	3.2%
(as a % of Net Operating Expenditures)											

FINANCIAL INDICATORS DISPLAYED GRAPHICALLY

Description	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Depreciation (Depreciation Expense as a % of Assets)	2.4%	2.4%	2.0%	1.8%	1.8%	2.2%	2.7%	2.9%	2.7%	2.8%	2.8%
Population	259,179	267,024	271,440	274,847	281,069	288,735	293,382	299,443	302,518	305,580	307,832
Per Capita Income (restated)	33,286	34,534	35,928	37,059	40,246	40,036	42,459	44,079	45,911	N/A	N/A
Public Assistance Recipients (as a % of Total Population)	6.4%	6.0%	6.7%	7.8%	8.4%	8.9%	9.8%	11.5%	12.2%	13.7%	14.7%
Property Values (In Constant Dollars)	15,2764	16,3271	17,5750	18,5834	20,2695	22,4561	24,8799	27,1238	27,3729	27,9548	25,4956
Residential	7,0422	6,8781	7,6433	5,7376	9,0727	10,7879	10,7935	9,0189	0,9184	2,1257	-8,7969
Commercial	9,987	10,683	11,487	12,233	13,469	15,110	17,073	18,836	18,790	19,000	17,791
Agricultural	5,126	5,493	5,916	6,184	6,592	7,101	7,531	7,964	8,268	8,649	7,444
	0,164	0,152	0,172	0,166	0,208	0,245	0,276	0,323	0,315	0,306	0,260
Residential Development (includes agric) (as a % of Total Property)	66.4%	66.4%	66.3%	66.7%	67.5%	68.4%	69.7%	70.6%	69.8%	69.1%	70.8%
Employment Base											
Local Unemployment Rate	0.0150	0.0200	0.0340	0.0350	0.0310	0.0310	0.0290	0.0270	0.0350	0.0710	0.0740
Jobs in Community	163,704	170,793	165,203	164,398	163,525	170,183	172,216	177,744	179,426	174,758	168,142
Business Activity - #1 (In Constant Dollars)											
Retail Sales	43,601.91	43,674.78	42,157.88	44,198.79	43,119.03	44,506.87	45,248.81	45,062.93	42,345.32	43,246.82	42,116.53
Annual Business Receipts	22,253.07	22,366.14	21,384.91	21,597.73	21,849.88	22,611.74	24,258.88	25,788.44	24,306.02	23,856.71	21,599.86
Business Activity - #2											
Market Value of Business Property	5,126.28	5,492.80	5,916.11	6,184.33	6,592.02	7,101.26	7,530.71	7,964.14	8,267.77	8,648.76	7,443.81
Acres Devoted to Business	5,175.30	5,479.00	5,684.39	5,800.43	5,897.00	5,954.00	6,032.00	6,062.00	6,118.00	6,371.00	6,393.00

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